

Orin Hatch

114th Congress }
1st Session }

SENATE

{ S. PRT
Rept.
114-119

**THE INTERNAL REVENUE SERVICE'S PROCESSING OF 501(C)(3) AND
501(C)(4) APPLICATIONS FOR TAX-EXEMPT STATUS SUBMITTED
BY "POLITICAL ADVOCACY" ORGANIZATIONS FROM 2010-2013**

COMMITTEE ON FINANCE
UNITED STATES SENATE

BIPARTISAN INVESTIGATIVE REPORT
AS SUBMITTED BY
CHAIRMAN HATCH AND RANKING MEMBER WYDEN



August 2015

AUG 5 2015 - ordered to be printed

Chronological Listing of Significant Occurrences – 2002 to 2013

The chronologically arrayed events listed below were derived from documents secured by the Senate Finance Committee from the IRS and other sources, including from interviews conducted by Senate Finance Committee Staff with current and former IRS and Treasury employees.

Date	Occurrence	Key Personnel Involved	Authority
February 22, 2002	Jonathan Levin, attorney at the Federal Election Commission, emails Lois Lerner advising her that he is studying the Shays-Meehan campaign finance reform law. Lerner responds in part by stating “[i]t’s pretty exciting that the campaign finance stuff may actually go through.”	Lois Lerner, Jonathan Levin	FECSUBP5001236
October 12, 2004	Jonathan Levin, attorney at the Federal Election Commission, emails Lois Lerner and states “once this election is over, we need to get together. I do miss you.” Lerner responds “. . . after the election, we’ll get together – hopefully to celebrate, but it sure looks iffy!”	Lois Lerner, Jonathan Levin	FECSUBP5001079
November 3, 2006	Mark Shonkwiler, Assistant General Counsel, Federal Election Commission, emails Lois Lerner asking her “which division/office of the IRS would be in the best position to receive a report from the Commission . . . regarding apparent violations of the law in connection with an organization which claims tax exempt status under Section 501(c)(4) status, yet appears to be focused primarily, if not exclusively, on electoral politics – and actually is registered as a state political committee?” Lerner responds that she will accept the report and that she will forward it to the IRS Classification Office, which handles referrals.	Lois Lerner, Mark Shonkwiler	FECSUBP5000751

Date	Occurrence	Key Personnel Involved	Authority
December 19, 2007	<p>A memorandum is sent from the Director of Exempt Organizations Rulings and Agreement Director Robert Choi stating that “[e]xemption applications that present the types of sensitive political issues described below should be assigned for full case development and should not be approved through the EO Determination merit screening process or the EO Technical inventory reduction project.”</p> <p>The memo states that these types of activities may be indicators of sensitive political issues:</p> <ul style="list-style-type: none"> • “Voter registration • “Inaugural host committees • “Post election transition teams (to assist the elected official prior to officially assuming the elected position) • “Voter guides • “Voter polling • “Voter education • “Other activities that may appear to support or oppose candidates for public office.” 	Robert Choi	IRS0000012298
September 8, 2008	<p>Donna Abner alerts managers that a review of two pending Emerge applications led to the discovery that Emerge applications were previously approved. Abner notes that because of the “partisan nature of the cases – guidance from EO Technical is pending.” She recommends “an alert be issued regarding this type of case as well as a reminder that ‘sensitive political issue’ cases are subject to mandatory review.”</p> <p>Brenda Melahn sends forwards Abner’s email to some EO managers, including Steven Bowling and John Shafer, reminding them that “any ‘political sensitive’ case should be sent to [EO Determinations Quality Assurance]. Memo from [Robert Choi] dated 12/19/07 indicate they should be worked as full development cases (not screened out) AND they are mandatory review.” [sic]</p>	Donna Abner, Brenda, Melahn, John Shafer, Steven Bowling	IRS0000012294-5
September 24, 2008	Further alerts are sent to EO employees reminding them that “politically sensitive cases” are subject to mandatory review and full development.	Joseph Herr, Sharon Camarillo, Cindy Wescott	IRS0000011492-94, IRS0000444815-16

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October 10, 2008	<p>EO Technical Tax Law Specialist Justin Lowe asks Jon Waddell to transfer Emerge Maine and Emerge Nevada to EO Technical. He says that EO Technical “will hold on to them here until the litigation on this issue has concluded and then work them.”</p> <p>Waddell tells Sharon Camarillo that “we might want to coordinate future receipt of Emerge Cases directly through Group 7821 and we can then send them from one spot to D.C.”</p>	Justin Lowe, Jon Waddell	IRS0000012299-12300
October 16, 2008	Deborah Kant tells Cindy Westcott that additional Emerge cases should be held “pending the outcome of a similar issue in the DLC litigation. At that point, we can decide on the best course of action.”	Deborah Kant, Cindy Westcott	IRS0000012304
October 21, 2008	<p>A Sensitive Case Report is submitted regarding the Emerge cases. The Sensitive Case Report states that “[t]wo organizations from 2 different states applied for exemption under section 501(c)(4) for the purpose of training women to run for political office. The services are only provided to women affiliated with the Democratic Party and focus on a variety of subjects such as public speaking and press relations, as well as how to conduct fund raising activities. The applications appear to represent potential partisan political activity.</p> <p>Coordination has taken place between EO Determinations, the Quality Office, and EO Technical.”</p>	Jon Waddell, Sharon Camarillo	IRS0000012307-08
October 21, 2008	Two Emerge cases are transferred from EO Determinations in Cincinnati to EO Technical in Washington, DC.	Justin Lowe	IRS0000124196

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February 3, 2009 – March 4, 2009	William A. Powers, Enforcement Attorney, Federal Election Commission, contacts Lois Lerner, Director, Office of Exempt Organizations, by email regarding American Future Fund, a 501(c)(4) organization, and American Issues Project. Powers is seeking information regarding the status of the applications for tax exemption filed by these organizations. Powers advises that American Issues Project appeared to be the successor to two other groups, Citizens for the Republic, and Avenger, Inc. Powers states that he spoke to Lerner “last July” and that Lerner told him then that American Future Fund had not received an exemption letter from the IRS. Lerner asks Judy Kindle and David Fish how the IRS can help the FEC get the information. Kindle locates information in Lexis on Citizens for the Republic (501(c)(4) approved by IRS) and sends it to Powers. David Fish indicates that Mike Seto requested the file in case FEC wanted it.	Lois Lerner, Judith Kindle, David Fish, Robert Choi, Mike Seto	IRS0000009372-75
March 31, 2009	Mike Seto faxes to William A. Powers the following: Form 1024 and Form 990 (2007) for American Issues Project, Inc. (formerly Citizens for the Republic, Inc.), and; Form 1024 for American Future Fund.	Mike Seto, William A. Powers	FECOGC000069
April 3, 2009	William A. Powers thanks Lois Lerner for providing answers to his inquiries about 501(c)(4) organizations. Powers notes that Mike Seto provided the requested information.	Lois Lerner, William A. Powers, Mike Seto	IRS0000123131
May 4, 2009	Siri Buller files a Sensitive Case Report on Emerge organizations noting that the “applications appear to represent partisan political activity.” The Emerge cases were transferred to EO Technical in October 2008.	Siri Buller	IRS0000627566-67
June 22, 2009	Siri Buller files a Sensitive Case Report for three Emerge organizations	Siri Buller	IRS0000633497-98
November 19, 2009	A memo from EO Technical manager Steve Grodnitzky states that “[w]e have 3 applications for 501(c)(4) exemption from ‘Emerge’ organizations in our group. Several of the Emerge organizations have already been recognized as exempt entities. There may be other applications in the pipeline in Cincinnati.”	Steve Grodnitzky	IRS00000124181
January 18, 2010	Siri Buller submits a Sensitive Case Report for four Emerge groups.	Siri Buller	IRS0000147518-19

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January 22, 2010	<p>Michael Tierny, a Quality Assurance Reviewer in Exempt Organizations (EO), Rulings and Agreements (R&A), Quality Assurance (QA), Cincinnati, notes to several of his colleagues in the wake of the Supreme Court's decision in <u><i>Citizens United v. Federal Election Commission</i></u>, 130 S. Ct. 876 (decided Jan. 21, 2010) that it "[l]ooks like yesterday's Supreme Court ruling is going to result in more (c)(4)s engaging in political activities and the death of 527s." Tierny's email contained an attachment with a January 21, 2010 article published by Politico. The article cites "[l]eading Republican election lawyer Ben Ginsberg and four colleagues at Patton Boggs" who circulated a memo titled "Citizen's United v. FEC – Opportunities for Participation Grow." Ginsberg described 501(c)(4)s and 501(c)(6)s in the following manner: "Likely to emerge as the biggest players in the 2010 and 2012 elections, ideological groups and trade associations also have been granted the ability to engage much more robustly in the political process. Meager disclosure requirements of their donors will make them a favorite repository of funds for independent expenditures."</p>	Michael Tierny, Donna Abner	IRS0000639344-48
January 22, 2010	<p>Lois Lerner communicates by email with Steve Miller, Sarah Hall Ingram, and Nancy Marks regarding the Supreme Court's decision in <u><i>Citizens United</i></u>. Lerner summarizes the holding and expresses the view that the case probably does not change the IRS rules regarding tax exemption. Lerner suggests that the IRS prepare itself for inquiries regarding campaign spending by 501(c)(3) and (c)(4) organizations. Nancy Marks suggests doing a few "plain English Q&A's" that explain that the decision does not apply to the laws governing political activities by exempt organizations. Sarah Hall Ingram agrees and asks Lerner, Marks and Cathy Livingston to prepare a FAQ that can go on the IRS website. She also expresses the concern that the case will result in a "test of the tax exemption issue" in the courts.</p>	Lois Lerner, Steve Miller, Nancy Marks, Sarah Hall Ingram, Cathy Livingston	IRS0000444375-77
January 24-25, 2010	<p>Cathy Livingston prepares several draft FAQs on <u><i>Citizens United</i></u> and sends them to Lerner, Marks, Ingram, and Flax. Flax revises the FAQ's and sends them to Steve Miller. The FAQs re-state established law regarding the activities of 501(c)(3), (c)(4), (c)(5) and (c)(6) organizations and provide that the <u><i>Citizens United</i></u> case did not address the requirements that Congress imposed on organizations as a condition of being tax exempt.</p>	Cathy Livingston, Lois Lerner, Sarah Hall Ingram, Steve Miller, Nikole Flax	IRS0000442110-12

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January 25, 2010	Lois Lerner expresses concern over the FAQ that states that the <u>Citizens United</u> case did not address the requirements that Congress imposed on organizations as a condition of being tax exempt. Lerner states that “[t]his is the danger zone no matter what we say.” Cathy Livingston agrees and recommends that this FAQ not be used as the IRS has not had time to analyze the case and consider “language in the opinion that raises questions.” The FAQs are provided to Doug Shulman, Steve Miller and Frank Keith who revise them, in case Shulman is asked about the case.	Cathy Livingston, Lois Lerner, Nikole Flax, Doug Shulman, Steve Miller, Frank Keith.	IRS0000442122-24
February 2, 2010	William A. Powers, Enforcement Attorney, Federal Election Commission, writes to Lois Lerner and states that last year, Lerner and her staff provided him with copies of publicly available information filed by American Issues Project, Inc. He notes that Lerner and staff provided him with the group’s Forms 8718, 1024, 8868 and 990 for 2007. He asks Lerner if she would provide him with the group’s Form 990 for 2008 and any additional publicly available forms that it may have filed after 2007. Lerner indicates that she will have someone check and get back to him.	William A. Powers, Lois Lerner	IRS0000123133
February 25, 2010	Jack Koester, a Determinations Unit screener in Cincinnati, is assigned an application for exemption under 501(c)(4) from a “Tea Party.” Koester informs his manager, John Shafer, about the application and suggests that “recent media attention to this type of organization indicates to me that this is a ‘high profile’ case.” Koester notes that the applicant organization has indicated in its 1024 that it may support political candidates. Shafer sends Koester’s email to Sharon Camarillo, Area Manager, and tells her that he will “hold this case” pending a determination whether it is a “high profile case.” Camarillo forwards the case to Cindy Thomas, requesting that Thomas “let ‘Washington’ know about this potentially politically embarrassing case involving a ‘Tea Party’ organization.”	Jack Koester, John Shafer, Sharon Camarillo	IRS0000180869-73
February 25, 2010	Cindy Thomas alerts Holly Paz that EO Determinations has received an application for exemption under 501(c)(4) from a Tea Party organization and asks if EO Technical wants the case “because of recent media attention.” Paz responds “I think sending it up here is a good idea given the potential for media interest.” Thomas asks Shafer to “thank Jack for identifying the issue and elevating it.”	Holly Paz, Cindy Thomas, John Shafer	IRS0000180869-73

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March 01, 2010	Sharon Camarillo asks Cindy Thomas to alert EO Technical to a “potential new twist on the former ACORN organization.” Camarillo notes that “ACORN may have gone out of business, but has re-organized into several different organizations with the same purpose.” She agrees with a recommendation from John Shafer that they “not open a new TAG issue until we actually receive one these organizations and can make an assessment for their potential for fraud or other abuse.”	Sharon Camarillo, Cindy Thomas, John Shafer	IRS0000458448-51
Early March 2010	John Shafer, Screening Group Manager, asks Gary Muthert, a screener in his Group, to search the databases to find out if other Tea Party groups have filed applications for exemption. Muthert finds 7 Tea Party cases and sends them to Shafer. Muthert continues to search the databases until May 2010.	Gary Muthert, John Shafer	SFC Interview of Gary Muthert, (July 30, 2013) not transcribed
March 16-17, 2010	John Shafer advises Cindy Thomas that there are now 10 Tea Party applications pending in EO Determinations. In addition, three have been approved (one 501(c)(3) and two 501(c)(4) organizations). Thomas asks Holly Paz if all the cases should be transferred to EO Technical. Paz determines to take two cases in total and for Thomas to “hold the rest until we get a sense of what the issues may be.”	Cindy Thomas, John Shafer, Holly Paz	IRS0000180869-73
March 17, 2010	Ronald Shoemaker sends an email to his staff advising “[b]e on the lookout for a tea party case. If you have received or do receive a case in the future involving an organization having to do with tea party let me know.”	Ronald Shoemaker	IRS0000631577
March 17, 2010	John Shafer sends two Tea Party cases to EO Technical – one an application for exemption under 501(c)(3) and the other an application for exemption under 501(c)(4). Shafer tells Cindy Thomas that he will hold the remaining Tea Party cases in his group under status 75 (not for general assignment).	John Shafer, Cindy Thomas	IRS0000181003-07
March 22-24, 2010	Cindy Thomas forwards Sharon Camarillo’s March 1, 2010 email about potential ACORN cases to Steven Grodnitzky. Grodnitzky alerts Robert Choi that “it appears that ACORN is morphing into new organizations. According to Cincy, there was one organization that came in for exemption, but they believe it was closed [for failure to establish]. Will keep you updated as to new developments in this area. May cause some press attention.”	Cindy Thomas, Sharon Camarillo, Steven Grodnitzky, Robert Choi	IRS0000458448-51

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March 26-28, 2010	Robert Choi asks for a “summary from Cincy regarding this issue of ACORN morphing into new entities.” A technical advisor from Rulings and Agreements tells Choi that “[a]lthough an organization is required to disclose on its application if it is taking over the activities of another...we may have difficulty trying to put an alert for these applications because I don’t know if we have identifies all the ACORN entities they would replace.” [sic] Jon Waddell writes that “[t]o my knowledge, we have yet to see any of these applications...”	Robert Choi	IRS0000458448-51
March 31, 2010 to April 2, 2010	Steve Grodnitzky, Acting Manager, EO Technical, is made aware that two Tea Party applications are being worked in EO Technical. Grodnitzky determines that a Sensitive Case Report (SCR) needs to be completed since “[t]hese are high profile cases as they deal with the Tea Party so there may be media attention. May need to do an SCR on them.” Cindy Thomas agrees and informs Grodnitzky that there are a total of 11 Tea Party cases and that three have been approved (two have been granted exemption under 501(c)(4) and the third under 501(c)(3)).	Steve Grodnitzky, Cindy Thomas	IRS0000165413-14
April 1, 2010	Lois Lerner reminds Rob Choi and Nanette Downing that it is their responsibility to review Sensitive Case Reports (SCR) and provide feedback to staff before the SCRs go forward. She states that SCRs “go all the way to the Commissioner’s Office.”	Lois Lerner, Robert Choi, Nanette Downing	IRS0000162656
April 5, 2010	Steve Grodnitzky asks Cindy Thomas for information on each Tea Party case pending in Cincinnati so that the information can be included in the SCR. Thomas asks Gary Muthert, a Screener in the Screening Group, to prepare a list of the cases showing the code section that the organizations are applying under. Muthert prepares a list showing 18 cases, three of which have already been approved.	Steve Grodnitzky, Cindy Thomas, Gary Muthert	IRS0000165415-19

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April 5, 2010	Steve Grodnitzky assigns the two Tea Party cases to Ronald Shoemaker's Group within EO Technical. The plan is for EO Technical to work the cases and then develop some guidance for EO Determinations to use on its pending cases. Shoemaker assigns the two Tea Party cases to Carter C. Hull, a Tax Law Specialist in Shoemaker's Group, based on Hull's expertise on evaluating applications from organizations seeking exemption under 501(c)(4).	Carter C. Hull, Ronald Shoemaker	IRS0000433722 IRS0000166266-67 SFC Interview of Ronald Shoemaker (July 31, 2013) not transcribed SFC Interview of Steve Grodnitzky (Sep. 25, 2012) p. 23
April 6, 2010	Jon Waddell, Group Manager, EO Determinations, provides Sharon Camarillo and Brenda Melahn with a copy of the latest draft of the "Joint TAG/Emerging Issues Spreadsheet." The spreadsheet is based on the current TAG spreadsheet that informs agents about cases that may raise fraud issues, tax avoidance schemes or that may involve possible terrorist groups. The "Joint" spreadsheet is now expanded to include "Emerging Issues," which are issues for which there is no clear precedent, as well as "Watch for List" cases, which are cases not yet received, but that will require special handling when received. The draft "Joint" spreadsheet contains a tab for each group of cases. Waddell indicates that he and Joseph Herr have been meeting to discuss methods for updating the spreadsheet and will continue to work together to develop a proposal for consideration.	Jon Waddell, Sharon Camarillo, Brenda Melahn	IRS0000629335-48
April 6, 2010	Carter Hull asks Siri Buller for materials relating to Emerge cases because it may help him with his work on the Tea Party cases. Buller replies to Hull, "I'm not sure how similar they are to the Tea Party applications, but I have attached the proposed denial letter for one of the organizations."	Carter Hull, Siri Buller	IRS0000012132
April 10, 2010	Cindy Thomas advises Sharon Camarillo and Brenda Melahn to include in the Joint Issues spreadsheet a tab for "Consistency" cases, or cases that require consistent treatment but that are not cases involving TAG or Emerging issues. She directs that the spreadsheet be completed by the end of April 2010 and states that it can be introduced to the EO Determinations agents along with the Emerging Issues procedures at the Continuing Professional Education (CPE) training session in June/July 2010.	Cindy Thomas, Sharon Camarillo, Brenda Melahn	IRS0000629335-48

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April 12, 2010	Sharon Camarillo informs Cindy Thomas that several names for the Joint Issues spreadsheet have been considered, but rejected. She asks Thomas if she has “any ideas as to what to call this spreadsheet.”	Sharon Camarillo, Cindy Thomas	IRS0000629335-38
April 14, 2010	The EO Determinations screening group (Group 7838) holds a group meeting. Gary Muthert gives a presentation on Tea Party cases. He informs the screeners that three cases have been approved, including a 501(c)(3) organization. Muthert advises that EO Determinations is awaiting guidance from EO Technical on the Tea Party cases and that John Shafer is holding Tea Party cases in his office.	Gary Muthert, John Shafer	IRS0000168256-57
April 16, 2010	Siri Buller submits an SCR about four Emerge chapters. The estimate closure date is June 30, 2010.	Siri Buller	IRS0000638426-27
April 19, 2010	Carter C. Hull prepares the first Sensitive Case Report on the two Tea Party cases assigned to him. The Prescott Tea Party is an applicant for exemption under 501(c)(3) and the Albuquerque Tea Party is an applicant for exemption under 501(c)(4). Estimated closure date is September 30, 2010. The applicable sensitive case criterion is that the cases are “[l]ikely to attract media or Congressional attention.” Hull notes that “[t]he various ‘tea party’ organizations are separately organized, but appear to be part of a national politically conservative movement that may be involved in political activities. The ‘tea party’ organizations are being followed closely in national newspapers” Hull also informs that Cincinnati is holding three applications for exemption under 501(c)(3) and ten for exemption under 501(c)(4), and that Cincinnati has approved exemption for two 501(c)(4) groups and a 501(c)(3) group that may be Tea Parties.	Carter C. Hull, Ronald Shoemaker	IRS0000164074-75
April 23, 2010	Steve Grodnitzky informs Cindy Thomas that EO Technical is working on two Tea Party cases. A development letter has been sent out on the 501(c)(3) organization and a development letter will shortly be prepared for the 501(c)(4) organization. Grodnitzky suggests that EO Technical coordinate with EO Determinations in the processing of the cases.	Steve Grodnitzky, Cindy Thomas	IRS0000181051-52

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April 25, 2010	Cindy Thomas and Brenda Melahn assign to Joseph Herr, manager of EO Determinations Group 7825, an emerging issue called “Tea Party.” Herr assigns to Liz Hofacre, the Emerging Issues Coordinator, approximately 20 Tea Party cases and tells Hofacre to contact Ron Shoemaker to coordinate her work on those cases with EO Technical’s work on its two Tea Party cases. Emerging Issues cases are those cases where there is little or no precedent, or unclear precedent.	Cindy Thomas, Liz Hofacre	IRS0000181051-52 SFC Interview of Joseph Herr (June 18, 2013) not transcribed SFC Interview of Liz Hofacre, (Sep. 24, 2013) pp. 15, 39
April 27, 2010	Jon Waddell sends a revised version of the draft Joint Issues spreadsheet to Sharon Camarillo and Brenda Melahn for their information. The draft spreadsheet now contains tabs for TAG cases, Emerging Issues, Coordinated Cases, and Watch For cases.	Jon Waddell, Sharon Camarillo, Brenda Melahn	IRS0000629453-54
April 28, 2010	Grant Herring, EO Determinations agent, explains that Liz Hofacre designed the Joint Spreadsheet. Herring notes that “Watch For” cases are cases that EO Determinations thinks that they will see, but have not yet seen. Herring writes that the issues in the cases are driven by recent events like changes in the law.	Grant Herring, Jon Waddell, Brenda Melahn, Sharon Camarillo	IRS0000629453-54
April 28, 2010	Steve Grodnitzky, Acting Manager of EO Technical, prepares a chart summarizing the SCRs for EO Technical for the period ending April 28, 2010 and sends the chart to Lois Lerner and Robert Choi. In his email, Grodnitzky advises Lerner and Choi that EO Technical is working on two Tea Party cases and assisting EO Determinations in developing thirteen other Tea Party cases assigned to EO Determinations.	Steve Grodnitzky, Lois Lerner, Robert Choi	IRS0000141809-11
April 28, 2010	Sharon Camarillo emails Cindy Thomas and Robert Choi that EO Determinations has received two applications from successors to ACORN. One of the groups, previously closed for “failure to establish,” has been reopened and no action has been taken on the other.	Sharon Camarillo, Cindy Thomas, Robert Choi	IRS0000458467

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April 28, 2010	An IRS inter-office research team completes its research into allegations of illegal activity by ACORN, its affiliates and employees. The research team was formed to investigate allegations that ACORN was engaged in actions inconsistent with tax-exempt status, including systematic commingling of funds between taxable and tax-exempt entities and individuals associated with ACORN. The Research team found evidence of: the cover-up of an embezzlement committed by a board member; possible conflicts created by employees working for multiple affiliates and staffers and members serving on the Board of Directors; improper money transfers among the affiliates; lack of proper documentation of financial transactions; and possible improper use of donations as well as pension and health care benefit funds. The research team concluded that these findings together with ACORN's apparent loose governance and a lack of respect for the corporate structure warranted a closer examination by the IRS into the financial practices of ACORN and its affiliates to determine if its tax-exempt status was appropriate.	Nancy Todd, Joseph Urban	IRS0000713483-87
May 1, 2010	The Groups within EO Determinations are realigned. Several employees are moved to different groups and some responsibilities are shifted among the Groups. Liz Hofacre moves to Group 7822 from Group 7825. With Hofacre's reassignment, responsibility for Emerging Issues now resides in Group 7822 (Steve Bowling, Manager). Hofacre remains Emerging Issues Coordinator in Group 7822. Joseph Herr, manager of Group 7825, is reassigned to new duties unrelated to supervision.	Liz Hofacre, Steve Bowling, Joseph Herr	SFC Interview of Steve Bowling (June 13, 2013) not transcribed SFC Interview of Liz Hofacre, (Sep. 24, 2013) pp. 14-16 SFC Interview of Joseph Herr, (June 18, 2013) not transcribed
May 1, 2010-October 2010	Liz Hofacre's primary responsibility while in Group 7822 is to work Tea Party cases by reviewing applications and preparing development letters. Screeners send Hofacre applications for exemption, most of which contain the name "Tea Party" or that are from conservative organizations that engage in the same type of political activities as Tea Parties.	Liz Hofacre	SFC Interview of Liz Hofacre, (Sep. 24, 2013) pp. 18-19

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May 1, 2010 to October 2010	<p>Liz Hofacre performs a secondary screening on the cases sent to her by the Screening agents and uses the criteria “Tea Party,” “9/12,” “Patriots,” or statements in the application advocating for smaller government, or promoting the Bill of Rights to ensure that the cases are correctly identified as Tea Party cases. These are the same criteria that the screeners are using. Screeners are not first attempting to determine if there is possible political activity in an application. Any cases that contain the above words are automatically sent to Hofacre, along with cases that don’t contain the words but that include statements about smaller government, etc.</p> <p>Over the months, Hofacre also receives cases from organizations that are left-leaning and right-leaning but do not fit the criteria for a Tea Party case. She returns the left-leaning cases to the EO Determinations agent that sent them to her. In the event the application from a left-leaning group comes from a screener, it is sent to general inventory. If an application from a conservative group is sent to her by another EO Determinations agent, and the application does not meet the Tea Party criteria, it is also sent back to the agent or to general inventory. Steve Bowling instructs Hofacre to treat the cases that don’t meet the Tea Party criteria this way. Hofacre usually discusses the cases that don’t meet the Tea Party criteria with Bowling before sending them back to an agent or to general inventory. Cases sent back to an agent or to general inventory are worked and determinations made on them. They are not caught in the Tea Party “net” and delayed.</p>	Liz Hofacre	SFC Interview of Liz Hofacre, (Sep. 24, 2013) pp. 45-52
May 1, 2010 to October 2010	Upon preparing draft development letters, Hofacre emails them to Hull for his review per Hull’s direction and faxes him a copy of the file containing the 1023 or 1024 and supporting documents. Hull reviews her questions and on occasion, suggests additional questions. He never writes any development letters for her and his revisions are not substantial. Steve Grodnitzky also revises her questions in one instance. Steve Bowling is aware of the process used by Hofacre and Hull. Hofacre generally communicates with Hull by phone.	Liz Hofacre, Carter C. Hull	SFC Interview of Liz Hofacre, (Sep. 24, 2013) pp. 55-58

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May 6, 2010	Liz Hofacre sends Joseph Herr a draft Joint Issues spreadsheet that refers to “Tea Parties” as an “emerging issue” and directs agents to “[c]oordinate with group 7825.”	Liz Hofacre, Joseph Herr	IRS0000352978-84 IRS0000542119-24
May 13, 2010	Steve Grodnitzky sends Lois Lerner and Robert Choi information about cases handled by EO Technical in April 2010, which includes a reference to the Tea Party cases. Lerner responds asking about the Tea Party cases, and specifically, asks if they are seeking exemption under 501(c)(3), and if they are, the basis of their exemption requests. Lerner states that “[a]ll cases on your list should not go out without a heads up to me please.” Grodnitzky replies by telling Lerner and Choi that EO Technical is working on two Tea Party cases – one an application for exemption under 501(c)(3) and the other under 501(c)(4). He tells Lerner that there are ten more cases pending in EO Determinations and that most are applications for 501(c)(4) status. He advises that the organizations claim that education is their primary purpose, but that the “big issue” is whether they are involved in campaign intervention. He tells Lerner and Choi that the cases in EO Technical are in development and that no case will be resolved until Lerner and Choi provide clearance.	Steve Grodnitzky, Lois Lerner, Robert Choi	IRS0000167872-73
May 17, 2010	Carter C. Hull sends two development letters to Liz Hofacre to use as samples when preparing her letters. Steve Grodnitzky tells Carter C. Hull to speak to EO Determinations about the development letters and how the questions that Hull asked in the letters applied to the facts of his cases. Grodnitzky is concerned that without an explanation, EO Determinations may just use Hull’s letters without tailoring them to the specific facts of their cases. Hull advises Grodnitzky that he has spoken to Hofacre, that she has about 20 Tea Party cases, and that she will be sending her draft development letters to Hull for his review before sending them to the applicant organizations.	Steve Grodnitzky, Carter C. Hull	IRS0000631583-84
May 18, 2010	IRS employee Grant Herring alerts Joseph Herr to an application “which many internet sources allege is an ACORN affiliate or front.” He writes, “I don’t think this org’s activities are nonpartisan in effect: they don’t say ‘Republican’ or ‘Democrat,’ but they target their extremely-well-funded-by-left-leaning-PFs voter registration activities to areas where traditional Democratic constituencies are concentrated. I don’t think it would be difficult for EOT to revoke the approval letter.”	Joseph Herr, Grant Herring	IRS0000629458

Date	Occurrence	Key Personnel Involved	Authority
May 24, 2010	<p>Carter C. Hull prepares an SCR for the Tea Party cases for May 2010. The SCR indicates that the Prescott Tea Party, the applicant for exemption under 501(c)(3), failed to submit requested information and that its application was closed for failure to establish (FTE). Hull requests that EO Determinations send him another 501(c)(3) application from a Tea Party. Albuquerque Tea Party, the applicant for exemption under 501(c)(4), requests an extension of time to respond to its development letter. Estimated closure date is September 30, 2010.</p> <p>Siri Buller prepares an SCR for the four Emerge cases. She notes the denial letter for Emerge Maine is being reviewed by TEGE Counsel. The estimated closure date is July 30, 2010.</p>	Carter C. Hull, Ronald Shoemaker	<p>IRS0000163997-164013 (Email attachments containing taxpayer information omitted by Committee staff)</p> <p>IRS0000163242-43</p>
May 27, 2010	Steve Grodnitzky sends Lois Lerner and Rob Choi an SCR summary chart for May 2010. Included in the summary chart is a description of the Tea Party cases being worked by Hull.	Steve Grodnitzky, Lois Lerner, Robert Choi	IRS0000141812-14
May 27, 2010	Carter C. Hull begins reviewing proposed development letters prepared by Liz Hofacre for the Tea Party cases. Hull communicates his comments on the proposed letters to Hofacre by telephone. Hofacre cannot send out development letters until Hull approves them. According to Hofacre, the requirement that EO Technical first approve a development letter before EO Determinations can issue it is an unusual practice and not the way EO Technical had assisted EO Determinations in the past.	Liz Hofacre, Carter C. Hull	<p>IRS0000433722 SFC Interview of Liz Hofacre (Sep. 24, 2013) pp. 58-65</p>
May 28, 2010	Lois Lerner advises Nanette Downing and Robert Choi that she doesn't always have time to read SCRs and going forward, she would like to set up an hour to go over SCRs when they are ready, as she has many questions that cannot be answered in the short format of the reports.	Lois Lerner, Robert Choi, Nannette Downing	IRS0000162663
June 3, 2010	A freelance journalist submits a request under the FOIA to Eva Littlejohn, IRS Disclosure Office, seeking "documents relating to any training, memos, letters, policies, etc. that detail how [TE/GE] reviews applications for non-profits, 501(c)(3)s, and other not-for-profit organizations specifically mentioning 'Tea Party,' 'the Tea Party,' 'tea party,' 'tea parties.'"	Eva Littlejohn	IRS0000163600-06

Date	Occurrence	Key Personnel Involved	Authority
June 3, 2010	House Oversight Committee Ranking Member Darrell Issa writes a letter with an attached congressional report to Commissioner Doug Shulman informing Shulman that on “April 21, 2010, the United States Court of Appeals for the Second Circuit granted an emergency stay to the government, suspending the lower court decision declaring Congress’s ban of federal funds to ACORN unconstitutional. The congressional ban on funds to ACORN thus remains in effect. I ask that you do not stop your investigation into ACORN and its use of federal funds. I ask that you maintain oversight over ACORN’s rebranded affiliates.”	Doug Shulman	IRS0000459733-42
June 6, 2010	Richard Daly sends a number of SCRs to Sarah Hall Ingram and Joseph Grant, among other recipients. Included in the SCRs is the May 24, 2010 SCR on the Tea Party cases prepared by Carter C. Hull. Estimated closing date is September 30, 2010. Ingram does not read the SCRs. She subsequently tells the SFC that “I relied on my directors to bring me the ones they thought they were worried about.”	Richard Daly, Sarah Hall Ingram, Robert Choi	IRS0000163997-164013 (Email attachments containing taxpayer information omitted by Committee staff) SFC Interview of Sarah Hall Ingram (Dec. 16, 2013) pp. 41-51

Date	Occurrence	Key Personnel Involved	Authority
June 7, 2010 to July 19, 2010	<p>EO Determinations conducts Continuing Professional Education (CPE) sessions for its employees. During these sessions, Determinations employees are given a PowerPoint instruction on “Heightened Awareness Issues.” Those issues are now contained in a new “Combined Excel Workbook” (the Joint Issues spreadsheet of April and May) that contains tabs for: “TAG” (Touch and Go) cases; “TAG Historical” cases; “Emerging Issues;” “Coordinated Processing” cases; and “Watch For” cases. Agents are given an explanation of each tab of the spreadsheet. They are told that “TAG” cases are those that involve abusive tax avoidance transactions, fraud, or applicants potentially involved in terrorism. “TAG Historical” cases are TAG cases that are no longer generally encountered, but that may be encountered so agents should be aware of them. “Emerging Issues” are cases where there is no established precedent, or cases arising from significant current events or changes to tax law. An example of an emerging issue presented to the participants is the Tea Party cases. The PowerPoint indicates that: these are “High Profile Applicants;” the Tea Party is a “Relevant Subject in Today’s Media;” there is a “Potential for Political/Legislative Activity;” and, “Rulings Could be Impactful.” “Coordinated Cases” are defined in the PowerPoint as “Cases with Issues Organized for Uniform Handling” and that “Existing Precedent or Guidance Does Exist.” For “Emerging Issue” cases like the Tea Party cases, agents are directed to “complete the required referral form and submit to your manager.” “Watch For” issues are described as involving “applications not yet received” in which the issues are the result of significant changes in the law or in world events. When received, applications will require “special handling.” An example of a “Watch For” issue presented to the participants is “Successors to Acorn.” For “Watch For” issue cases, agents are also directed to refer the cases to their managers. The PowerPoint indicates that a designated coordinator will maintain the Excel workbook and issue alerts by email. The PowerPoint instructs agents to follow certain procedures when encountering cases on the Combined Excel Workbook.”</p>	EO Determinations staff	<p>IRS0000557291-308 IRS0000195587</p>

Date	Occurrence	Key Personnel Involved	Authority
June 8, 2010	Steven Grodnitzky tells Cindy Thomas that he wants to “make sure we are all on the same page as to ACORN-related cases. We should not be developing or resolving them at this point. I had spoken to Rob about a successor to one of the ACORN orgs in NY and he mentioned that some activity is going on in the TEGE Commissioner’s office with respect to ACORN and to hold off.” Grodnitzky recommended that an Acorn-related voter registration organization be “put on hold til we hear further from [Robert Choi].” He also stated that “ACORN is a member of the organization, contributes money, appoints a member of the board, and the principal was a high ranking official with ACORN in the Midwest.”	Steven Grodnitzky, Cindy Thomas, Donna Abner	IRS0000054956
June 11 – 14, 2010	Sharon Baker, Disclosure Specialist, apprises Matthew Giuliano, Tax Law Specialist, EO, and Mike Seto of the FOIA request received from a freelance journalist on June 3, 2010 seeking documents related to how TE/GE reviews Tea Party applications. On June 14, 2010, Giuliano sends the request to numerous recipients and asks that they provide responsive documents by COB.	Sharon Baker, Matthew Giuliano, Mike Seto	IRS0000163600-06
June 21, 2010	An internal memorandum was sent to various IRS offices regarding “Investigative Research Findings” about ACORN and ACORN affiliates. The memo states that “[b]ased on the information reviewed, there appears to be sufficient evidence to warrant further investigations of the activities of ACORN and associated individuals and organizations.”	Nancy Todd, Joseph Urban	IRS0000474708
June 22, 2010	Carter C. Hull prepares an SCR for the Tea Party cases for June 2010. The SCR advises that the 501(c)(4) Tea Party applicant submitted information in response to a development letter and that Hull was evaluating the information. Estimated closure date is September 30, 2010. Siri Buller prepares an SCR for the four Emerge cases. TEGE Counsel is reviewing the proposed denial of Emerge Maine.	Carter C. Hull, Ron Shoemaker	IRS0000164020-43 (Email attachments containing taxpayer information omitted by Committee staff) IRS0000163284-85
June 30, 2010	Carter C. Hull is assigned the application for exemption under 501(c)(3) from American Junto, a Tea Party-type organization, as a replacement for the application that he closed for failure to establish (Prescott Tea Party).	Carter C. Hull	IRS0000433722

Date	Occurrence	Key Personnel Involved	Authority
July 1, 2010	Richard Daly sends TE/GE's SCRs for June 2010 to Nikole Flax, Sarah Hall Ingram and Joseph Grant. Included in the SCRs was the June 22, 2010 SCR prepared by Hull and Shoemaker on the Tea Party cases assigned to Hull and the June 22, 2010 SCR prepared by Siri Buller on the Emerge cases.	Richard Daly, Nikole Flax, Sarah Hall Ingram, Joseph Grant, Siri Buller	IRS0000164020-43
July 6, 2010	Steve Grodnitzky informs Cindy Thomas that EO Technical is working the Tea Party applications in coordination with Cincinnati. Grodnitzky states: "[w]e are developing a few applications here in DC and providing copies of our development letters with the agent to use as examples in the development of their cases."	Steve Grodnitzky, Cindy Thomas	IRS0000165422-24
July 7, 2010	Carter C. Hull sends a development letter to American Junto, the 501(c)(3) Tea Party organization that he was assigned as a replacement when the application from Prescott Tea Party was closed. The letter contains 16 numbered questions.	Carter C. Hull	IRS0000011197-11200
July 8, 2010	Sarah Hall Ingram and Joseph Grant are provided a copy of the internal IRS investigation report into the activities of ACORN. The report concludes that there is sufficient evidence of improper activities by ACORN, its affiliates and associated individuals to warrant further investigation of ACORN by the IRS.	Nancy Todd, Sarah Hall Ingram, Joseph Grant	IRS0000713482
July 15-16, 2010	Cindy Thomas tells Robert Choi that "[i]t appears as though we have another case that may be a potential successor to Acorn... We placed the other case in suspense pending guidance from the Washington Office and are doing so with this case." Choi asks Thomas to "[c]heck-in with me next week re this case. We may be moving forward on developing these applications."	Cindy Thomas, Robert Choi	IRS0000054949-50
July 23, 2010	Siri Buller prepares an SCR for four Emerge cases. The estimated closure date is December 31, 2010.	Siri Buller	IRS0000163327-28
July 26, 2010	Carter C. Hull prepares an SCR for the Tea Party cases assigned to him. The SCR indicates that Hull is preparing a second development letter for Albuquerque Tea Party, the 501(c)(4) organization, and that he has sent a development letter to the replacement 501(c)(3) organization, American Junto. Estimated closing date is August 31, 2010.	Carter C. Hull, Ronald Shoemaker	IRS0000807114-15

Date	Occurrence	Key Personnel Involved	Authority
July 27, 2010	<p>A “Combined Issue Spreadsheet” is prepared for use by EO Determinations agents. The “Emerging Issues” Tab of the spreadsheet informs the agents about “Tea Party” cases. The spreadsheet indicates that “[t]hese cases involve various local organizations in the Tea Party movement [that] are applying for exemption under 501(c)(3) or 501(c)(4).” The entry in the spreadsheet further directs that “[a]ny cases should be sent to Group 7825. Liz Hofacre is coordinating. These cases are currently being coordinated with EOT.”</p> <p>The “Watch For” tab of the spreadsheet also contains the entry “ACORN successors.” It states that “[f]ollowing the breakup of ACORN, local chapters have been reforming under new names and resubmitting applications.” The entry directs that “[i]f you see these cases, they should be sent to the TAG group.”</p> <p>The TAG Historical tab contains an entry that concerns the term “Progressive” and indicates that the issue is “political activities.” It states that the “[c]ommon thread is the word ‘progressive.’ Activities appear to lean toward a new political party. Activities are partisan and appear as anti-Republican.”</p>	Liz Hofacre	<p>IRS0000352978-84</p> <p>IRS0000621837-52</p>
July 27, 2010	Grant Herring reported that he sent a detailed development letter to a voter registration organization that he believed was a politically biased and may be an ACORN-successor organization.	Grant Herring	IRS0000622672

Date	Occurrence	Key Personnel Involved	Authority
July 28, 2010	<p>EO Determinations holds a Screening Workshop in Cincinnati. Participants include the screeners, EO Quality Assurance staff, Area 1 and 2 Managers, and Cindy Thomas, the Determinations Program Manager.</p> <p>A PowerPoint presentation is given at the workshop. The slide that discussed “Politics” contained a picture of an elephant and a donkey. The slide presentation instructs IRS employees to “look for names like...Tea Party...Patriots...9/12 Project...Emerge...Progressive...We the People.” The next slide advises that “[t]hese organizations may file a Form 1023 or 1024” and “[m]ost will file as IRC 501(c)(4).” A subsequent slide states: “Concerns: May be more than 50% political, possible PAC (Political Action Committee).”</p> <p>Notes from the presentation state that Gary Muthert addresses the group and indicates that the focus of review for Tea Party applications is on political activity, and that if a screener is in doubt about that activity, he/she should forward the case to Group 7822. Names and/or titles like “9/12 Project,” “We The People,” “Rally Patriots,” “Emerge,” “Pink-Slip Program,” and “Progressive” should be flagged for review. Liz Hofacre, described in the notes as the “Tea Party coordinator” advises the attendees that “Progressive” applications are not considered “Tea Parties.”</p>	Gary Muthert, Liz Hofacre	<p>IRS0000006700-04</p> <p>IRS0000169695-720</p>
July 30, 2010	<p>Theodore Lieber sends SCRs prepared by Rulings and Agreements staff to Lois Lerner and others. Included among the SCRs is the July 26, 2010 SCR prepared by Carter C. Hull describing the work performed by Hull on the Tea Party cases (Prescott Tea Party, Albuquerque Tea Party, and American Junto) assigned to him.</p>	Theodore Lieber, Lois Lerner	<p>IRS0000807076-807115</p> <p>(Email attachments containing taxpayer information omitted by Committee staff)</p>
August 2010	<p>A contest to rename the “Combined Issues Spreadsheet” (also called the “Joint Issues spreadsheet” and the “Combined Excel Workbook”) is held in EO Determinations. The prize for the winning suggestion is one hour of administrative leave. Joseph Herr suggests using the name “BOLO” (Be On the Look Out) spreadsheet. The suggestion wins. Herr gives Liz Hofacre credit for suggesting the “BOLO” moniker.</p>	Liz Hofacre, Joseph Herr	<p>SFC Interview of Liz Hofacre, (Sep. 24, 2013) pp. 126-128</p>
August 2010	<p>In August 2010, Liz Hofacre stops hearing from Carter C. Hull. She sends him development letters to review, but doesn’t hear back from him. Hull essentially stops communicating with Hofacre through August, September and October.</p>	Liz Hofacre, Carter C. Hull	<p>SFC Interview of Liz Hofacre, (Sep. 24, 2013) pp. 57-59</p>

Date	Occurrence	Key Personnel Involved	Authority
August 2010 to October 2010	Liz Hofacre tells Steve Bowling that she is “inundated” with Tea Party cases and responses. Bowling tells her that EO Determinations is awaiting advice from EO Technical. When a case is assigned to Hofacre, she has 5 days to review it and 5 days to prepare the development letter. Even though Hull is not responding to her, she continues to prepare development letters and send them to him through August, September and October 2010. She does not release any of the letters, but just drafts them and sends them to Hull. Hofacre feels that she can decide some of the Tea Party cases based on the responses received from the applicants, but cannot do so without Hull’s approval. Hull fails to respond to Hofacre’s emails.	Liz Hofacre, Carter C. Hull	SFC Interview of Liz Hofacre, (Sep. 24, 2013) pp. 61-64
August 3, 2010	<p>Jack Koester, a screener in EO Determinations, informs his supervisor, John Shafer, that he has identified an application for exemption under 501(c)(4) from an organization. Koester notes that the organization is planning to conduct some legislative/political activities, which it stated is not its primary focus. The applicant told the IRS that [t]o the extent permitted by Code § 501(c)(4), applicable regulations, and the Supreme Court’s recent decision in <i>Citizens United v. Federal Election Commission</i>, 130 S. Ct. 876 (2010), the Corporation will provide support and advocacy for or against specific candidates during election seasons where candidates have taken stances on issues of particular importance to the [redacted] business community. At no time will such activities constitute the primary purpose of the Corporation. The Corporation’s primary activity is and will always be the promotion of social welfare through voter education and issue advocacy.”</p> <p>He notes that the applicant appears to meets the requirements for exemption and that he would “normally consider closing the case on merit,” but that given the “current political climate,” it might be prudent to elevate the case to “upper management.” Shafer forwards Koester’s email to Sharon Camarillo, his Area Director, who then forwards the email to Justin Lowe, the subject matter expert on legislative activities. Camarillo asks that the application be held until Lowe responds.</p>	Jack Koester, John Shafer, Sharon Camarillo, Justin Lowe	IRS0000487033-35
August 3, 2010	Lois Lerner asks her assistant to print out a number of SCRs so that she can review them. Included among them is an SCR for the Tea Party cases.	Lois Lerner	IRS0000163358-97

Date	Occurrence	Key Personnel Involved	Authority
August 5-6, 2010	Richard Daly forwards TE/GE's SCRs for August to Nikole Flax, Sarah Hall Ingram, and Joseph Grant. Included among the SCRs is the SCR that Hull prepared on July 26, 2010 regarding the Tea Party cases assigned to him	Richard Daly, Nikole Flax, Sarah Hall Ingram, Joseph Grant	IRS0000164044-72 (Email attachments containing taxpayer information omitted by Committee staff)
August 8, 2010	Jon Waddell and/or Steve Bowling instruct Liz Hofacre to prepare a "BOLO" spreadsheet and tell Hofacre what to include in it. She sends the BOLO spreadsheet to EO Determinations managers.	Liz Hofacre, Jon Waddell, Steve Bowling	SFC Interview of Liz Hofacre, (Sep. 24, 2013) pp. 129-133
August 12, 2010	<p>Liz Hofacre distributes the BOLO spreadsheet to Determinations Unit agents. Tea Party cases are specifically identified under the Emerging Issues tab of the spreadsheet as follows: "[t]hese cases involve various local organizations in the Tea Party movement [that] are applying for exemption under 501(c)(3) or 501(c)(4)." The BOLO directs agents to send Tea Party cases to Group 7822 and that Liz Hofacre is coordinator.</p> <p>ACORN Successors are specifically identified under the "Watch For" tab of the BOLO spreadsheet as follows: "Following the breakup of ACORN, local chapters have been reforming under new names and resubmitting applications." The BOLO directs agent to send ACORN Successor cases to the TAG Group.</p> <p>The word "Progressive" is specifically identified on the TAG Historical tab of the spreadsheet as a "Political activities" issue. The entry states that the "[c]ommon thread is the word 'progressive.' Activities appear to lean toward a new political party. Activities are partisan and appear as anti-Republican. You see references to 'blue' as being 'progressive.'"</p>	Liz Hofacre	<p>SFC Interview of Liz Hofacre, (Sep. 24, 2013) p. 132</p> <p>IRS0000352978-84</p> <p>Combined Spreadsheet</p> <p>TAG 8 12 10</p>
August 13, 2010	Matthew Giuliano provides Senior Disclosure Specialist Sharon Baker with copies of two Sensitive Case Reports on the Tea Party cases as documents responsive to the June 3, 2010 FOIA request from a journalist who requested "documents relating to any training, memos, letters, policies, etc. that detail how [TE/GE] reviews applications for non-profits, 501(c)(3)s, and other not-for-profit organizations specifically mentioning 'Tea Party,' 'the Tea Party,' 'tea party,' 'tea parties.'" Baker concludes that the SCRs are not responsive to the request, despite Giuliano's assertion the contrary. Baker notes in the Case Report that "I have been back and forth with Matthew and I am tried [sic]."	Matthew Giuliano, Sharon Baker	IRSC003755-61

Date	Occurrence	Key Personnel Involved	Authority
August 18, 2010	Carter C. Hull prepares an SCR for August for the Tea Party cases assigned to him. The SCR indicates that Hull is assisting Cincinnati in crafting development letters.	Carter C. Hull, Ronald Shoemaker	IRS0000165378-79
September 15, 2010	<p>In response to an article in the <i>EO Tax Journal</i> about organizations that may be abusing their 501(c)(4) status by engaging primarily in political advocacy, Lois Lerner tells Judith Kindell, “I’m really thinking we do need a c4 project next year.” Kindell responded, “My big concern is the statement ‘some (c)(4)s are being set up to engage in political activity’ – if they are being set up to engage in political campaign activity they are not (c)(4)s.”</p> <p>Lerner replied, “I’m not saying this is correct – but the perception out there that that is what is happening.” [sic]</p> <p>Cheryl Chasin added, “It’s definitely happening. Here are a few organizations...that sure sound like they are engaging in political activity:</p> <p>Faulkner County Tea Party Paradise Republican Womens Club Culver PAC Taxpayersadvocate Org State PAC Escondido Republican Women Federated Folsom Republican Women Federated Alice B Toklas Lesbian & Gay Democratic Club Obama Democratic Club Of Silicon Valley National Breast Cancer Coalition Political Action Committee.”</p> <p>In a subsequent email, Lerner tells Kindell and others “[w]e need to have a plan. We need to be cautious so it isn’t a per se political project. More a c4 project that will look at levels of lobbying and pol. activity along with exempt activity.”</p>	Lois Lerner, Judith Kindell, Cheryl Chasin	IRS0000182865-68
September 20, 2010	Doug Shulman, Steve Miller and Nikole Flax are advised that the <i>New York Times</i> will likely run a story the following day on the large upswing in money donated to 501(c)(4) organizations whose primary activities are political in nature. The article notes that the identity of donors to 501(c)(4) organizations is not disclosed and that the IRS lacks resources to monitor these activities and enforce the rules. Sarah Hall Ingram, Lois Lerner and Judy Kindell provided background information to the reporter on a “not-for-attribution” basis.	Doug Shulman, Steve Miller, Nikole Flax, Lois Lerner	IRS0000211382

Date	Occurrence	Key Personnel Involved	Authority
September 20, 2010	Steve Miller, Nikole Flax and others develop a statement to be used in response to the release of the <i>New York Times</i> article on 501(c)(4) organizations.	Steve Miller, Nikole Flax	IRS0000219086-91
September 20, 2010	Steve Pyrek sends Nikole Flax a two-page document summarizing the rules on advocacy by exempt organizations. He asks that she share it with Steve Miller and advises that it was provided to IRS Media Relations for use in responding to the <i>New York Times</i> article on 510(c)(4) organizations.	Steve Miller, Nikole Flax	IRS0000267177-79
September 21, 2010	<p>Sarah Hall Ingram sends an email to Lois Lerner, Joseph Grant and others indicating that the <i>New York Times</i> article “came out pretty well.” She expresses her opinion that the “secret donor” theme expressed in the article will continue and says “see Obama salvo.” She also indicates that the article “started the idea that we don’t have the law to do something.”</p> <p>The article attached to the email focuses attention on Crossroads GPS, a 501(c)(4) organization and asserts that the organization has spent millions on commercials attacking Democrats. The article notes that there is a growing popularity for organizations to seek 501(c)(4) status since they can engage in political activity, accept unlimited contributions from corporations, and keep the identity of their donors secret. The article attributes this growth in the popularity of 501(c)(4) organizations to the Supreme Court’s ruling in <i>Citizens United</i>. The article also notes that the majority of these 501(c)(4) organizations support Republican candidates. The article also depicts the IRS as not having the resources necessary to prevent this activity through enforcement of the laws.</p>	Sarah Hall Ingram, Lois Lerner, Joseph Grant, Judy Kindell	IRS0000508974-76
September 21, 2010	Sharon Baker follows up on the June 3, 2010 FOIA request with Tiffany Eder, Office of Chief Counsel, Procedures and Administration (P&A). Eder informs Baker that she and Charles B. Christopher (Branch Chief, P&A, Office of Chief Counsel) are confused why Baker has concluded that the SCRs submitted by Matthew Giuliano are not responsive to the FOIA request. Baker notes in the Case Record that “[t]he request asks for guidance on how the applications would be reviewed, the Sensitive Case Reports are merely notification that an application referencing “tea party” was filed.”	Sharon Baker, Tiffany Eder	IRSC003755-61

Date	Occurrence	Key Personnel Involved	Authority
September 22, 2010	<p>Carter C. Hull prepares an SCR for September for the Tea Party cases assigned to him. The SCR continues to indicate that a second development letter is being developed for the 501(c)(4) Tea Party applicant, that the response received from the 501(c)(3) Tea Party applicant is being evaluated, and that Hull is continuing his efforts to assist Cincinnati in the development of the other Tea Party cases assigned to EO Determinations. Estimated closure date is December 31, 2010.</p> <p>Siri Buller prepares an SCR for the four Emerge cases noting that the “TEGE Counsel is reviewing approved similar applications for comparison.”</p>	Carter C. Hull, Ronald Shoemaker	<p>IRS0000156464 IRS0000156447- 48</p>
September 28, 2010	Senator Baucus writes to IRS Commissioner Shulman raising concerns that political campaign activity by organizations claiming tax exemption may be inconsistent with their tax exempt status under 501(c)(4), (c)(5) and (c)(6).	Douglas Shulman	IRS0000015430-32
September 28, 2010	Michael Condon, a member of EO Determinations Group 7821, informs Gary Muthert, an EO Determinations screener (Group 7838), that American Crossroads is a pro-Republican group that has accounted for more than half of Super PAC spending. Condon advises Muthert that the American Financial Group has donated more than \$400,000 to American Crossroads, a contribution made possible by the fact that the Supreme Court in <u>Citizens United</u> lifted restrictions on corporate spending on elections.	Michael Condon, Gary Muthert	IRS0000487036
September 30, 2010	Steve Grodnitzky sends Lois Lerner and Robert Choi an SCR summary chart for September 2010. The summary chart, that contains 22 entries discussing a range of issues, advises Lerner and Choi that both the 501(c)(3) and (c)(4) Tea Party cases are being reviewed by EO Technical and that there are now 25 applications for exemption from Tea Party groups pending in EO Determinations. The chart also advises that TEGE Counsel is reviewing the proposed denials for the Emerge cases.	Steve Grodnitzky, Lois Lerner, Robert Choi, Siri Buller	IRS0000156433-36
October 2010	Liz Hofacre leaves Group 7822 and assumes a position in EO Quality Assurance. Hofacre leaves in part due to her frustration and irritation over the process employed to review Tea Party cases and the resulting delays. She states to the SFC that: “Mr. Hull or EOT was stonewalling me.”	Liz Hofacre	SFC Interview of Liz Hofacre, (Sep. 24, 2013) pp. 9, 69-70, 74-75

Date	Occurrence	Key Personnel Involved	Authority
October 2010	Liz Hofacre's responsibility as Emerging Issues Coordinator is reassigned to Ronald Bell. Hofacre briefs Bell before her departure from the Group. She gives Bell the name of the Washington D.C. EO Technical contact (Carter C. Hull) and forwards to Bell a few development letters that she was working on with Hull. Bell then becomes the primary contact for all political activity cases and is assigned all of these cases. Bell has between 50-100 cases when he takes over from Hofacre. Some of the cases are in development when they are transferred to Bell. Some have a development letter in the file and others have not been worked by Hofacre.	Ronald Bell, Steve Bowling	SFC Interview of Ronald Bell, (July 30, 2013) not transcribed
October 2010	Ronald Bell's Manager, Steve Bowling, tells Bell that EO Determinations is awaiting guidance on the Tea Party cases from EO Technical. Bell infers from this statement that he should perform no work on the cases until receiving further guidance from EO Technical. Accordingly, Bell works on auto-revocation cases exclusively and ignores the Tea Party cases. When new cases are sent to him that meet the BOLO spreadsheet criteria for Tea Party cases, he places them in a filing cabinet and returns to work on auto revocation cases. Bowling is aware that Bell is not working the Tea Party cases.	Ronald Bell, Steve Bowling	SFC Interview of Ronald Bell, (July 30, 2013) not transcribed
October 2010	The BOLO criteria that says "organizations affiliated with the Tea Party" is understood by the screeners to mean actual Tea Party groups or groups with a viewpoint similar to the Tea Party. The reference does not include or encompass other types of organizations that are engaged in political activity.	Ronald Bell, Liz Hofacre,	SFC Interview of Ronald Bell, (July 30, 2013) not transcribed SFC Interview of Liz Hofacre, (Sep. 24, 2013) p. 19
October 2010 to July 2011	From October 2010 when Ronald Bell takes over Tea Party cases to July 2011, he works <u>no</u> Tea Party cases. There is no development and none of the cases are assigned to any EOD agents.	Ronald Bell, Steve Bowling	SFC Interview of Ronald Bell, (July 30, 2013) not transcribed

Date	Occurrence	Key Personnel Involved	Authority
October 2010 to November 2011	As Emerging Issues Coordinator, Ronald Bell is charged with making updates to the BOLO list and informing EO Determinations agents and management of the changes. Bell's manager, Steve Bowling, sends Bell all changes to the BOLO list. Bowling receives some of those changes from his Area Manager (Bonnie Esrig or Sharon Camarillo). Bell summarizes the issues, sends the summary to EO Determinations agents and management by email along with an updated BOLO spreadsheet.	Ronald Bell, Steve Bowling	SFC Interview of Ronald Bell, (July 30, 2013) not transcribed SFC Interview of Steve Bowling, (June 13, 2013) not transcribed
October 5, 2010	Democracy 21 and Campaign Legal Center send a letter to Commissioner Shulman and Lois Lerner requesting that the IRS investigate the activities of Crossroads GPS, to determine if it is operating in violation of 501(c)(4) tax status.	Douglas Shulman, Lois Lerner	IRS0000459877-93
October 6, 2010	Judith Kindell sends Ruth Madrigal, Attorney-Advisor, Office of Tax Policy, Treasury Department, IRS instructional materials on political activity by 501(c)(4), (c)(5) and (c)(6) organizations.	Judy Kindell, Ruth Madrigal	IRS0000446776-77
October 6, 2010	Ways and Means Oversight Subcommittee minority staff inquire of the IRS whether Crossroads GPS is a 501(c)(4) organization and whether American Crossroads is a 527 organization. Lois Lerner is made aware of the inquiry and takes the opportunity to express her view to Sarah Hall Ingram, Joseph Grant and others that the law is flawed because an organization can operate as a 501(c)(4) organization without prior approval of the IRS. By so operating, the IRS has no information on the organization until it files a 990. Therefore, an allegation that the organization is operating inconsistent with 501(c)(4) status would be referred to EO Exams, but the matter would be closed because there is no record of the organization. By the time a 990 is filed, there is no allegation to pursue because the exam has been closed. David Fish advises Lerner that Crossroads GPS has filed a 1024. She replies by suggesting that the case should be worked in Washington D.C.	Dave Fish, Lois Lerner	IRS0000453771-72

Date	Occurrence	Key Personnel Involved	Authority
October 7, 2010	John Shafer, Screening Group Manager, sends an email to his group forwarding a copy of a letter sent by Democracy 21 to IRS Commissioner Shulman that appeared in the press. In the letter, Democracy 21 makes the assertion that Crossroads GPS, a conservative organization operating as a 501(c)(4), is primarily engaged in political advocacy and should not be approved by the IRS as a 501(c)(4) organization. Gary Muthert receives Shafer's email and advises Steve Bowling, Group 7822 Manager, that he sent Crossroads GPS' application to Bowling's group as a "Tea Party" case and that he "might want to get the case." Bowling determines that the application is in status 51 (unassigned inventory). Bowling instructs an employee to change the status of the case to status 75 (not for general assignment) and to place the original application on his desk.	Gary Muthert, Steve Bowling	IRS0000487037-47
October 7, 2010	Siri Buller, Tax Law Specialist, EO Technical, Group 1 sends Ruth Madrigal, Attorney Advisor, Office of Tax Policy, Treasury Department, reference materials setting forth the IRS' policy on political activity for 501(c)(4), (c)(5) and (c)(6) organizations.	Ruth Madrigal, Siri Buller	IRS0000446776-77
October 7-8, 2010	Jon Waddell emails Steven Bowling and Sharon Camarillo suggesting that they alert IRS screeners to "Name and Application factors associated with Acorn related cases." Camarillo asks John Shafer to "[p]lease ask your screeners to be on the lookout for these cases." Shafer forwards the email to IRS screeners.	Jon Waddell, Steven Bowling, Sharon Camarillo, John Shafer	IRS0000410433-34
October 14, 2010	Lois Lerner, and other IRS officials are emailed a copy of a letter from Senator Dick Durbin to IRS Commissioner Douglas Shulman urging the IRS to investigate the activities of Crossroads GPS. Durbin alleges that Crossroads' spending on political campaign advertising demonstrates that its primary purpose is not the promotion of social welfare.	Lois Lerner	IRS0000262668-69
October 14, 2010	Sharon Camarillo tells Cindy Thomas that help from EO Technical is needed to work the ACORN successor cases.	Sharon Camarillo, Cindy Thomas	IRS0000054942-44

Date	Occurrence	Key Personnel Involved	Authority
October 18, 2010	Carter C. Hull prepares for his manager, Ronald Shoemaker, a memo describing his work to date on Tea Party cases. Hull indicates that the majority of the cases are under the jurisdiction of Cincinnati but that a 501(c)(3) and a 501(c)(4) application are being worked at HQ in Washington. He indicates that Cincinnati provides HQ with copies of the Tea Party files along with proposed development letters. Hull reviews the letters and provides comments to the agent in Cincinnati, Liz Hofacre. Hofacre then sends the development letters to the organizations.	Carter C. Hull	IRS0000165172-76.
October 19, 2010	Ronald Shoemaker sends to Holly Paz the memorandum prepared by Carter C. Hull dated October 18, 2010, describing Hull's efforts to date in assisting Cincinnati develop its Tea Party applications. Attached to the memo is a list of 40 "Tea Party" cases that are pending in EO Determinations. Only 6 do not have the words, Tea Party, Patriots, Conservative, or 912 in their name. However, all of the cases on the list are Tea Party or conservative cases. According to Hofacre, this is because all of the cases have been selected for full development based on meeting the Tea Party screening criteria.	Ronald Shoemaker, Carter C. Hull	IRS0000165172-76 SFC Interview of Liz Hofacre, (Sep. 24, 2013) pp. 91-92
October 19, 2010	Lois Lerner addresses Duke University students on the effects of the Supreme Court's decision in <u><i>Citizens United</i></u> . Lerner says generally with regard to the decision that "[t]he Supreme Court dealt a huge blow, overturning a 100-year precedent that basically corporations couldn't give directly to political campaigns, and everyone is up in arms because they don't like it. The Federal Election Committee can't do anything about it. They want the IRS to fix the problem. The IRS laws are not set up to fix the problem." She goes on to state that "everyone is screaming at us right now 'fix it now before the election . . . see how much these people are spending.' I won't know until I look at their 990s next year whether they have done more than their primary activity as political or not. So I can't do anything right now."	Lois Lerner	https://www.youtube.com/watch?v=EH1ZRYq-1iM
October 24, 2010	Cindy Thomas asks Holly Paz for an EO Technical employee to assist with the ACORN successor cases.	Cindy Thomas, Holly Paz	IRS0000054942-44

Date	Occurrence	Key Personnel Involved	Authority
October 26, 2010	Cindy Thomas expresses her concern to Holly Paz about the manner in which the Tea Party cases are being worked. She questions why Carter C. Hull needs to review every development letter and notes that this results in EO Determinations “just ‘sitting’ on these cases.” She asks Paz for a template development letter to use and states that there are now 45 of these cases pending.	Cindy Thomas, Holly Paz	IRS0000435238-39
October 26, 2010	Matthew Giuliano sends Sharon Baker a copy of the Memo dated October 18, 2010, prepared by Carter C. Hull that describes how Tea Party applications are being reviewed by the IRS. Baker concludes that the document is not responsive to the FOIA request “since it occurred after the FOIA request was received in our office.”	Matthew Giuliano, Sharon Baker	IRSC003755-61
October 27, 2010	Carter C. Hull prepares an SCR for October for Albuquerque Tea Party and American Junto, the Tea Party cases assigned to him. No new information is included, except that the estimated closing date is now March 2011.	Carter C. Hull, Ronald Shoemaker	IRS0000164329-30
November 3, 2010	Holly Paz sends Lois Lerner and Robert Choi an SCR summary chart for November 2010. The chart indicates that there are now 40 applications from Tea Party groups pending in Cincinnati. The chart also has an entry for four Emerge cases that were received on January 11, 2008.	Holly Paz, Lois Lerner, Robert Choi	IRS0000156478-81
November 4, 2010	Lois Lerner asks Nanette Downing and Judith Kindell if the Democracy 21 letter of October 5, 2010, alleging that Crossroads GPS was acting inconsistently with tax exempt status, has been sent to “Dallas” (EO Exams). Mike Seto advises that Democracy 21’s allegation was sent to “Dallas” on November 2, 2010.	Lois Lerner, Nanette Downing, Judith Kindell	IRS0000459877-95
November 16, 2010	The BOLO listing is updated to reflect that Ronald Bell is now coordinator for Tea Party cases. The description of Tea Party cases continues to read as follows: “[t]hese cases involve various local organizations in the Tea Party movement [that] are applying for exemption under 501(c)(3) or 501(c)(4).”	Ron Bell	IRS0000352978-84

Date	Occurrence	Key Personnel Involved	Authority
November 16-17, 2010	Carter C. Hull requests cases files and development letters from Ron Bell. Bell's advises Steve Bowling, Group 7822 Manager, of Hull's request. Bowling then asks Sharon Camarillo, Area Manager, how to proceed with the Tea Party cases. He informs Camarillo that Bell is telling applicants who call to inquire about their application that "the case is under review." Camarillo asks Cindy Thomas and she states that she will check with Holly Paz.	Ron Bell, Steve Bowling, Cindy Thomas	IRS0000163029-30
November 17, 2010	Paz discusses with Thomas the issues surrounding the backlog of Tea Party cases Thomas raised on October 26, 2010 and tells her that a template letter isn't feasible because the cases present different issues. Paz tells Thomas that EO Technical is planning on discussing these issues with Judith Kindell, Senior Technical advisor to the EO Director, Lois Lerner.	Holly Paz, Cindy Thomas, Judith Kindell	IRS0000435238
November 2010	Carter C. Hull speaks to Ronald Bell once or twice, but never receives any development letters from Bell.	Carter C. Hull, Ronald Bell	SFC Interview of Carter C. Hull (July 23, 2013) not transcribed
November 18, 2010	Carter C. Hull prepares an SCR for the two Tea Party cases under his review. The SCR indicates that Hull will draft a proposed favorable ruling for Albuquerque Tea Party, the 501(c)(4) Tea Party applicant, by December 13, 2010, and will request limited additional information from American Junto, the 501(c)(3) Tea Party applicant. Hull indicates that he is continuing to coordinate with Cincinnati on the development letters. The estimated closure date is January 31, 2011.	Carter C. Hull, Ronald Shoemaker	IRS0000164331-33
November 29, 2010	EO Determinations sends a development letter to a voter registration organizations applying for 501(c)(3) status.	Grant Herring	IRS0000631009-13
November 26, 2010	Holly Paz responds to Cindy Thomas's request for EO Technical assistance with the ACORN successor cases telling her to work with Chip Hull on those cases.	Holly Paz, Cindy Thomas	IRS0000054942-44
December 13, 2010	Holly Paz informs Cindy Thomas that EO Technical is finishing a proposal to approve the 501(c)(4) case being worked in EO Technical and that upon completion, EO Technical will discuss it with Judith Kindell. Paz states that EO Technical is evaluating the response received from the 501(c)(3) organization and that it expects to discuss that case with Kindell in January 2011.	Holly Paz, Cindy Thomas	IRS0000435238-39

Date	Occurrence	Key Personnel Involved	Authority
December 13, 2010	Carter C. Hull prepares an SCR for the two Tea Party cases under his review. The SCR indicates that Hull will prepare a proposed favorable ruling for Albuquerque Tea Party, the 501(c)(4) organization, by January 15, 2011, and a proposed denial for American Junto, the 501(c)(3) organization, by January 31, 2011. Hull indicates that he is continuing to coordinate with Cincinnati on the development letters.	Carter C. Hull, Ronald Shoemaker	IRS0000165343-44
December 17, 2010	Siri Buller prepares an SCR on four Emerge groups seeking 501(c)(4) status. The Emerge organizations recruit women who belong to the Democratic Party and train them in campaign-related skills. The SCR indicates that the applications will be denied based on substantial private benefit to the Democratic party.	Siri Buller	IRS0000159313-14
January 6, 2011	Sharon Baker's manager, Marie A Twarog, responds to the June 3, 2010 FOIA request, advising the journalist that "I found no documents specifically responsive to your request."	Sharon Baker, Marie Twarog	IRSC003765
January 10, 2011	Carter C. Hull completes a draft memo concluding that tax exemption should be granted to Albuquerque Tea Party, the 501(c)(4) organization that has been under his review since April 2010.	Carter C. Hull	IRS0000013885-86
January 10, 2011	Steven Grodnitzky informs Michael Seto that "the proposed denial for Emerge Maine will be issued to the taxpayer. This is the case in which the organization is training Democratic women for politics. We are relying on a private benefit denial, similar to the American Campaign Academy case, although this is a (c)(4)."	Steven Grodnitzky, Michael Seto	IRS0000012237
January 11, 2011	Carter C. Hull refers the draft memo recommending granting exemption to Albuquerque Tea Party, the 501(c)(4) organization, to his reviewer, Liz Kastenberg. Kastenberg reviews the memo and recommends sending it to Judith Kindell for review.	Carter C. Hull, Liz Kastenberg	IRS0000001323-24 SFC Interview of Carter C. Hull, (July 23, 2013) not transcribed
January 24, 2011	Carter C. Hull prepares an SCR for the two Tea Party cases under his review. The SCR indicates that Hull has prepared a proposed favorable memo on Albuquerque Tea Party, the 501(c)(4) organization, and forwarded it for review. Hull indicates that he is continuing to coordinate with Cincinnati on the development letters.	Carter C. Hull, Ronald Shoemaker	IRS0000166302-03

Date	Occurrence	Key Personnel Involved	Authority
February 1 - 2, 2011	Mike Seto, Acting Manager EO Technical, sends an SCR table to Lois Lerner. She responds “Tea Party Matter very dangerous – This could be the vehicle to go to court on the issue of whether <u>Citizen’s United</u> overturning the ban on corporate spending applies to tax exempt rules.” Lerner indicates that Counsel and Judy Kindell need to be involved with these cases and that they should not be handled by Cincinnati. Holly Paz responds by advising Lerner that Carter Hull is supervising the cases handled by Cincinnati at every step and that no decision will be made on those cases until the review of the 501(c)(3) and 501(c)(4) cases are completed by EO Technical. Lerner notes that “even if we go with a 4 on the Tea Party cases, they may want to argue they should be 3s, so it would be great if we can get there without saying the only reason they don’t get a 3 is political activity.”	Lois Lerner, Holly Paz	IRS0000159431-33
February 2, 2011	The BOLO spreadsheet is updated. The reference to Tea Party cases now reads “[o]rganizations involved with the Tea Party movement applying for exemption under 501(c)(3) or 501(c)(4).” The spreadsheet also indicates that the cases are being coordinated with Chip Hull in EO Technical.	Ron Bell	IRS0000352978-84
February 3, 2011	Mike Seto, Acting EO Technical Manager, informs Cindy Thomas that Carter C. Hull’s memo recommending exemption for the 501(c)(4) is done and will be sent to Judith Kindell shortly. Seto states that the “timeline with the c3 application is near the end of Feb.”	Mike Seto, Cindy Thomas	IRS0000620724-26
February 14, 2011	Siri Buller prepares a Sensitive Case Report on four Emerge cases.	Siri Buller	IRS0000164849-50
February 18, 2011	Holly Paz requests information about the TAG Group from Cindy Thomas, at Lois Lerner’s request.	Holly Paz, Cindy Thomas	IRS0000008593-602
February 24, 2011	Carter C. Hull prepares an SCR for the two Tea Party cases under his review. The SCR indicates that Hull will draft a denial for American Junto, the 501(c)(3) organization, by February 28, 2011. Hull states that he is continuing to coordinate with Cincinnati on the development letters.	Carter C. Hull, Ron Shoemaker	IRS0000164335-36
March 4, 2011	A revenue agent from EO Determinations asks Carter Hull to discuss “four exemptions applications for organizations that previously operated as ACORN” that are being held in Cincinnati EO Determinations.	Carter C. Hull, John McGee	IRS0000631878

Date	Occurrence	Key Personnel Involved	Authority
March 11, 2011	Lois Lerner asks Holly Paz and Cindy Thomas to “schedule a status on TAG and have a seriously discussion of the pros and cons...I want to better understand its utility and explore whether we should maintain it as is, or get rid of it altogether.” [sic]	Lois Lerner, Holly, Paz, Cindy Thomas	IRS0000008593-602
March 16, 2011	<p>Thomas responds to Paz regarding Lerner’s TAG concerns by explaining that the BOLO list includes TAG cases as well as cases that represent “emerging issues,” like the Tea Party cases. She explains that the purpose of “assigning ‘emerging issue’ cases to one designated group is so that: 1) we are consistent in our approach in working these cases, and 2) we can we can minimize time charges to cases. When we have an emerging issue category, the applications have many similarities.” Thomas writes that the Tea Party cases are the only current “emerging issue” entry on the BOLO list.</p> <p>Thomas attaches the latest version of the BOLO spreadsheet. The BOLO list provided to Paz contains an entry for the Tea Party under Emerging Issues as follows: “Organizations involved with the Tea Party movement applying for exemption under 501(c)(3) or 501(c)(4).” Under the “Disposition of Emerging Issue” heading, the BOLO states: “Forward case to Group 7822. Ron Bell (coordinator). Cases are being coordinated with EO Tech – Chip Hull.”</p>	Holly Paz, Cindy Thomas	IRS0000008593-602
March 17, 2011	Siri Buller submits an SCR for four Emerge cases. She notes that three proposed denials have been submitted.	Siri Buller	IRS0000159499
March 21, 2011	Carter C. Hull prepares an SCR for the two Tea Party cases under his review. The SCR now indicates that a proposed denial for American Junto was forwarded for review on March 2, 2011.	Carter C. Hull, Ron Shoemaker	IRS0000166450-51
March 29, 2011	Carter C. Hull sends his draft memo recommending granting exemption to the 501(c)(4) organization to Judith Kindell for her review.	Carter C. Hull, Judith Kindell	IRS0000001323-24
March 30, 2011	Cindy Thomas is informed that the IRS has received Congressional inquiries regarding the status of two Tea Party applications. Thomas expresses to Mike Seto her concern regarding these inquiries and suggests that a plan be developed for completing the cases, otherwise the inquiries will eventually turn into Tax Payer Assistance Orders (TAO).	Cindy Thomas, Mike Seto	IRS0000576953-55 (Email attachments containing taxpayer information omitted by SFC staff)

Date	Occurrence	Key Personnel Involved	Authority
March 31, 2011	Cindy Thomas advises Steve Bowling that since EO Technical is still working on the two Tea Party cases, “[w]e still need to continue to work cases to the extent we can and then wait to issue the approval or denial letter. EOT needs to meet with Judy Kindell . . . and then with Lois Lerner before they can finalize the guidance for us.” Bowling apparently fails to convey this message to Ronald Bell.	Cindy Thomas, Steve Bowling	IRS0000576953-55 SFC Interview of Ronald Bell, (July 30, 2013) not transcribed
April 6, 2011	Carter C. Hull and Liz Kastenbergh meet with Judith Kindell to discuss Hull’s draft recommendation regarding the 501(c)(4) organization. Kindell advises Hull and Kastenbergh to send the recommendation to the Office of Chief Counsel for its review. According to Hull, it was not normal procedure for Kindell to get involved with specific cases. Hull says it is rare that he consults with others about his recommendations. Those recommendations are always reviewed, but the extra step of consulting with Kindell or another who was not a reviewer is not typical. According to Hull, Kindell neither agrees nor disagrees with the recommendation. She does not explain to him why the case needed to be reviewed by the Chief Counsel’s office. Hull thinks that this decision is odd since under IRS procedures, only denials of 501(c)(3) applications are required to be reviewed by IRS Chief Counsel, and not approvals of applications for 501(c)(4) status.	Carter C. Hull, Liz Kastenbergh, Judith Kindell	IRS0000001323-24 SFC Interview of Carter C. Hull, (July 23, 2013) not transcribed
April 7, 2011	Judith Kindell informs Lois Lerner and Holly Paz that she just spoke to Carter C. Hull and Liz Kastenbergh about two Tea Party applications that they are working on. Kindell states: “I recommended that they develop the private benefit argument further and that they coordinate with Counsel. They also mentioned that there are a number of other (c)(3) and (c)(4) applications of orgs related to the Tea Party that are currently in Cincinnati.” Kindell recommends that all the Tea Party cases in Cincinnati be worked in DC because of their sensitivity, the need to coordinate with Counsel, and the fact that there are TAS inquiries on some of the cases. Paz states in response: “With so many EOT and Guidance folks tied up with ACA (cases and Guidance) and the possibility looming that we may have to work reinstatement cases up here to prevent a backlog in Determs, I have serious reservations about our ability to work all of the Tea Party cases out of this office.” Lois Lerner replies to Paz and Kindell as follows: “yes but these could blow up like crazy if the Determs folks let one out incorrectly – think MN Firefighters. Can Cindy have all of them assigned to one or two folks who don’t make a move without Counsel/Judy involvement?”	Lois Lerner, Holly Paz, Judith Kindell	IRS0000634444

Date	Occurrence	Key Personnel Involved	Authority
April 7, 2011	Holly Paz informs Lois Lerner that the Tea Party applications “are currently being assigned to one group. They consult with Chip on all development. They have been told not to issue determs until we work through the test cases we have here.”	Holly Paz, Lois Lerner	IRS0000350220-21
April 25, 2011	Carter C. Hull prepares an SCR for the two Tea Party cases under his review. The SCR now indicates that he is drafting additional development letters for both the 501(c)(3) and (c)(4) organizations. Estimated closure date is July 31, 2011. Siri Buller prepares an SCR for four Emerge Cases. Final adverse determinations were made in regard to three of the organizations. A proposed denial was issued for the final organization.	Carter C. Hull, Ron Shoemaker	IRS0000166555-57 IRS0000163645-46
May 10, 2011	Lois Lerner asks Nan Downing to find out the circumstances surrounding the referral from TE/GE Exams to E&G on gift tax. Lerner expresses her view that the TE/GE Exams employee who made the referral failed to notify his managers before making the referral to E&G. Lerner says: “. . . we ensure that all our sr managers are aware of all highly visible hot button issues. Our job is to report up to our bosses on anything that might end up on the front page of the NY Times.”	Lois Lerner, Nan Downing	IRS0000014917-20
May 17, 2011	Carter C. Hull prepares an SCR for the two Tea Party cases under his review. The SCR notes that the proposed favorable ruling on the application by Albuquerque Tea Party, the 501(c)(4) organization, was sent to Chief Counsel for review on May 4, 2011 and that an additional development letter was sent to American Junto, the 501(c)(3) organization, on April 27, 2011. Estimated closure date is July 31, 2011.	Carter C. Hull, Ron Shoemaker	IRS0000164425-27
May 25, 2011	Carter C. Hull sends his draft recommendation on Albuquerque Tea Party, the 501(c)(4) case, to a contact person in the Office of the Chief Counsel.	Carter C. Hull	IRS0000001323-24

Date	Occurrence	Key Personnel Involved	Authority
May 26, 2011	Nanette Downing advises Lois Lerner that EO Exams has received two referrals on Crossroads GPS. Lerner tells Downing that in addition to the referrals, the organization has applied for 501(c)(4) status. She indicates that she has scheduled a meeting with Holly Paz, Mike Seto, David Fish, and Judith Kindell to discuss what is happening with this organization. Holly Paz informs Lerner that the application for this organization has just arrived from Cincinnati. Lerner states “Cindy tells me there is a whole passel of ‘tea party related’ cases being worked in Cincy that Chip is overseeing/coordinating?” She also states “I’m told Chip Hull is heading this up—scaring me - can I get a briefing?”	Lois Lerner, Holly Paz, Nanette Downing	IRS0000196482 IRS0000196483-84 IRS0000196488-89
June 1, 2011	Elizabeth Kastenber, Tax Law Specialist, EO Technical, emails Carter C. Hull two cases that are denials of 501(c)(4) status based on political activity.	Carter C. Hull, Elizabeth Kastenber	IRS0000012166-76
June 1, 2011	Holly Paz requests that Cindy Thomas provide her with the following: (1) A copy of the Grassroots Policy Strategies application. Paz states that “Lois wants Judy to take a look at it so she can summarize the issues for Lois.” (2) The criteria used to label a case a “Tea Party case.” She tells Thomas that “[w]e want to think about whether those criteria are resulting in over-inclusion.” She also tells Thomas that “Lois wants a briefing on these cases. . . We’re aiming for the week of 6/27.”	Holly Paz, Cindy Thomas	IRS0000066837-40
June 1, 2011	Brenda Melahn informs Holly Paz that she will send her the Crossroads Grassroots Policy Strategies application by UPS on June 2, 2011.	Brenda Melahn, Holly Paz	IRS0000066839
June 2, 2011	Cindy Thomas asks John Shafer, Manager of the Screening Group, for the “criteria screeners use to label a case as a “tea party case.” Thomas asks Shafer “how do we know an applicant is involved with the tea party movement?”	Cindy Thomas, John Shafer	IRS0000066839

Date	Occurrence	Key Personnel Involved	Authority
June 2, 2011	<p>John Shafer asks Gary Muthert and several other screeners (Dale Schaber, Roger Vance) what criteria they use to identify an applicant organization as a Tea Party group. Based on the information he receives from the screeners, Shafer informs Cindy Thomas that “[t]he following are issues that could indicate a case to be considered a potential “tea party” case and sent to Group 7822 for secondary screening.</p> <ol style="list-style-type: none"> 1. “Tea party,” “Patriots” or “9/12 Project” is referenced in the case file. 2. Issues include government spending, government debt and taxes. 3. Educate the public through advocacy/legislative activities to make America a better place to live. 4. Statements in the case file that are critical of how the country is being run.” <p>Thomas forwards Shafer’s email to Paz.</p>	Cindy Thomas, Holly Paz, John Shafer	<p>IRS0000066838</p> <p>SFC Interview of John Shafer, (Sep. 17, 2013) pp. 111-114</p> <p>SFC Interview of Cindy Thomas, (July 25, 2013) pp. 40-41</p>
June 3 - 6, 2011	<p>Cesar Sabando, an EO Exams employee, tells Peggy Combs that he is on the Classification Referral Committee and is investigating a complaint about an organization named Crossroads Grassroots Policy Strategies. He asks Combs if there is a 1024 pending on the organization. Thomas tells Combs to tell Sabando that there is an application pending. She writes in an email to Ronald Bell that “Lois Lerner asked me about this case on May 26 after Steve Miller asked her about it. I told Lois that it was assigned to you and that you were coordinating these cases with EOT (Chip Hull) who is working with her senior technical advisor (Judy Kindell).”</p> <p>Cindy Thomas writes in an email to Steven Bowling, “After receiving and reviewing the [Crossroads] application, Holly sent an email and asked questions about criteria being used to identify cases as ‘tea party cases.’ The D.C. office thinks the criteria being used may be resulting in over-inclusion. They think Crossroads is associated with the Republican Party, not necessarily the Tea Party.”</p>	Cindy Thomas, Ronald Bell, Steven Bowling	IRS0000510245-46

Date	Occurrence	Key Personnel Involved	Authority
June 21, 2011	Mike Seto tells Carter C. Hull and Hilary Goehausen that there will be a briefing for Lois Lerner and Holly Paz to inform them of EO Technical' s review of two applications from Tea Party organizations and the assistance that EO Technical has provided to EO Determinations. He asks for Hull's memos in which Hull recommended denial of one group and approval of the other. Seto also provides his vision for a memo to Lerner on the two Tea Party applications that explains the cases. Seto subsequently tells Holly Paz that if the memo can't be prepared in time, that he will ask for a postponement of the meeting with Lerner.	Mike Seto, Lois Lerner Holly Paz, Carter C. Hull	IRS0000168069

Date	Occurrence	Key Personnel Involved	Authority
June 27, 2011	<p>In preparation for the meeting requested by Lois Lerner to discuss the processing of Tea Party applications, Justin Lowe develops a briefing paper and sends it Holly Paz, Mike Seto, Carter Hull, Hilary Goehausen, and others. The paper indicates that EOD Screening identified as an “emerging issue” a number of 501(c)(3) and (c)(4) applications by organizations “advocating on issues related to government spending, taxes and related matters.” These applications are sent to a specific group if they meet any of the following criteria:</p> <ul style="list-style-type: none"> • “Tea Party,” “Patriots,” or “9/12 Project” is referenced in the case file. • Issues include Government spending, Government debt, or taxes. • Education of the public via advocacy/lobbying to “make America a better place to live.” • Statements in the case file criticize how the country is being run. <p>The briefing paper also notes that:</p> <ul style="list-style-type: none"> • Over 100 cases that meet these criteria have been identified so far, but only two 501(c)(4) organizations have been approved. • EOT is assisting EOD by reviewing files and editing development letters; and • EOD requests guidance on how to process the cases to ensure uniformity. <p>Among the suggestions for “next steps,” the briefing paper proposes that EOT prepare a check sheet or Guidesheet that would consist of “a list of issues or political/lobbying indicators to look for when investigating potential political intervention and excessive lobbying”</p>	Holly Paz, Hilary Goehausen, Justin Lowe, Carter C. Hull	IRS0000431165-66 SFC Interview of Justin Lowe, (June 20, 2013) not transcribed

Date	Occurrence	Key Personnel Involved	Authority
July 5, 2011	<p>Lois Lerner conducts a meeting with Holly Paz, Nancy Marks, Cindy Thomas, Carter Hull, Hilary Goehausen and others on the processing of Tea Party cases. Lerner directs that the applicants no longer be called “Tea Party” groups but rather “advocacy organizations” and that Thomas change the “Tea Party” reference in the BOLO to “Advocacy Orgs.” Lerner also approves the development of a Guidesheet by EO Technical to be used as a tool to assist EO Determinations in the processing of applications that present political advocacy issues. She further sanctions the continued development of the “test cases” assigned to Carter C. Hull as an added means of assisting EO Determinations process the applications.</p> <p>A suggestion is made during the meeting that the cases could be approved and then examined subsequently by the Review of Operations (ROO) to see if the groups’ actual activities are consistent with exempt status. Lerner rejects the notion on the basis that the ROO has insufficient resources to examine all the approved Tea Parties.</p>	Lois Lerner, Holly Paz, Nancy Marks, Cindy Thomas, Carter C. Hull, Hilary Goehausen, Justin Lowe	<p>IRS0000620735-40</p> <p>SFC Interview of Holly Paz, (July 26, 2013) pp. 86-93</p> <p>SFC Interview of Carter C. Hull, (July 23, 2013) not transcribed</p> <p>SFC Interview of Hilary Goehausen, (July 11, 2013) not transcribed</p>
July 5, 2011	<p>Thomas changes the Emerging Issues tab of the BOLO spreadsheet by deleting the reference to “Tea Party” in accordance with Lerner’s directive. In its place she inserts a new issue called “Advocacy Orgs.” and describes the issue as “[o]rganizations involved with political, lobbying, or advocacy for exemption under 501(c)(3) or 501(c)(4).” In an email to Ronald Bell and Steve Bowling, she indicates that she might also change the EO Technical contact person, pending further word from Washington D.C. Thomas then sends an email to her managers and informs them of the removal of the reference to “tea party cases” from the BOLO. Thomas explains Lerner’s rationale for the change as follows: “Lois expressed concern with the ‘label’ we assigned to these cases. Her concern was centered around the fact that these type things can get us in trouble down the road when outsiders request information and accuse us of “picking on” certain types of organizations . . .” Thomas continues as follows: “Lois did want everyone to know that we are handling the cases as we should, i.e., the Screening Group starts seeing a pattern of cases and is elevating the issue.” During the call, Lerner apprises Thomas that Washington D.C. will prepare a document to assist Cincinnati work the political advocacy cases.</p>	Cindy Thomas, Steve Bowling, Ronald Bell, John Shafer	IRS0000620735-40

Date	Occurrence	Key Personnel Involved	Authority
July 2011	After Cindy Thomas changes the description of political advocacy cases in July 2011, screeners review applications to see if there is an indication of possible political activity. According to Bell, absent any such indication, the mere presence of the name “Tea Party” in the application is enough to warrant assigning the case to Group 7822 for full development.	Ronald Bell	SFC Interview of Ronald Bell, (July 30, 2013) not transcribed
July 6, 2011	<p>Hilary Goehausen prepares a summary for Mike Seto of the “next steps” decided at the July 5, 2011 meeting with Lois Lerner on Tea Party cases. Included among the next steps are the following:</p> <ul style="list-style-type: none"> • EO Technical will develop and draft a checklist for Cincinnati to use when working c3/c4 “advocacy organization” applications to assist in spotting issues associated with these types of cases. • Cincinnati will send 15-20 developed cases to EO Technical in order for EO Technical to review. • Require c3/c4 “advocacy organizations” to make certain representations regarding compliance with the checklist and certain issues (i.e. they won’t politically intervene) in order to pin them down in the future if they engage in prohibited activities. • Cincinnati will also look to see if these organizations have registered with the FEC and if so, they should ask additional questions. 	Hilary Goehausen, Mike Seto	IRS0000487709
July 11, 2011	Ronald Bell sends an email attaching the revised BOLO list to EO Determinations staff and management. The reference to “Tea Party” is deleted and replaced with “Advocacy Orgs.” The BOLO now describes these cases as “[o]rganizations involved with political, lobbying, or advocacy for exemption under 501(c)(3) or 501(c)(4).” While Bell’s covering email advises to “be on the lookout” for organizations seeking exemption under 501(c)(3) that provide “green” energy, the email fails to alert recipients to the change in the Tea Party/Advocacy Orgs. criteria.	Ronald Bell	<p>IRS0000352978-84 IRS0000618365-70 SFC Interview of Ronald Bell, (July 30, 2013) not transcribed</p>
July 11, 2011	Ronald Bell tells Steve Bowling that the ACORN entry on the BOLO list needs to be updated because Chip Hull was no longer the correct contact person at EO Technical for these cases.	Ronald Bell, Steve Bowling, Chip Hull	IRS0000054945-46

Date	Occurrence	Key Personnel Involved	Authority
After July 11, 2011	Gary Muthert, a screener in EO Determinations, continues to send cases that include the terms “Tea Party,” “9/12,” or “Patriots” to general inventory for full development even after the BOLO criteria is changed. His Manager, John Shafer, says he made no changes or adjustments to the way Tea Party cases are being screened by his staff. Shafer views Cindy Thomas’ email of July 5, 2011 wherein she states that “Lois did want everyone to know that we are handling the cases as we should . . .” as affirmation that the screening process is fine.	Gary Muthert, John Shafer	SFC Interview of Gary Muthert, (July 30, 2013) not transcribed SFC Interview of John Shafer, (Sep. 17, 2013) pp. 120-123
July 19, 2011	Lois Lerner’s computer hard drive fails. She requests that IRS IT personnel make an effort to recover the data on the hard drive, some of which Lerner characterizes as “irreplaceable.”	Lois Lerner, Carl T. Froehlich	IRS0000651448-50
July 19, 2011	Holly Paz provides background information to Janine Cook about a meeting that Lois Lerner has scheduled for the following week to discuss an apparent increase in the number of applications for exemption under 501(c)(3) and (c)(4) filed by organizations “advocating on issues related to government spending, taxes and similar matters. Often there is possible political intervention or excessive lobbying.” Paz goes on to state that “[w]e suspect that we will have to approve the majority of the c4 applications. . . we plan to have EO Technical compose some informal guidance re: development of these cases (e.g., review websites, check to see whether org is registered with FEC, get representations re: the amount of political activity, etc.). . . We will also refer these organizations to the Review of operations for follow-up in a later year.”	Holly Paz, Janine Cook	IRS0000429489
July 20, 2011	A New York Times reporter asks why some Emerge groups were approved for tax-exempt status while others were not. Lois Lerner asks Holly Paz, Judith Kindell, and Nannette Downing for assistance in “determining why some [of the Emerge cases] were approved and what, if anything has occurred with them since approval.”	Lois Lerner, Holly Paz, Judith Kindell, Nanette Downing	IRS0000623704 IRS0000196669

Date	Occurrence	Key Personnel Involved	Authority
July 20, 2011	Lillie Wilburn, Field Director, IRS IT Customer Service Support, advises Lois Lerner that “I checked with the technician and he still has your drive. He wanted to exhaust all avenues to recover the data before sending it to the “hard drive cemetery.” Unfortunately, after receiving assistance from several highly skilled technicians including HP experts, he still cannot recover the data.” Wilburn tells Lerner that she will explore the possibility of securing technical assistance in recovering the data from one additional source, and update Lerner on those developments when appropriate.	Lillie Wilburn, Lois Lerner	IRS0000651448-50
July 22, 2011	Carter C. Hull prepares an SCR on the two Tea Party cases assigned to him. The SCR notes that the proposed favorable determination for Albuquerque Tea Party was forwarded to Chief Counsel on June 16, 2011, and that the proposed denial for American Junto was revised to reflect additional information received from the applicant and sent to a reviewer on July 19, 2011. Estimated closure date is July 31, 2011.	Carter C. Hull, Ron Shoemaker	IRS0000163722-23
July 23 - 24, 2011	Mike Seto informs staff that Justin Lowe is the new contact person for EO Determinations on political advocacy cases. He states that “Justin will work with Hilary Goehausen and Chip Hull, who are initiators on political advocacy cases pending in EOT.” Seto informs Goehausen to draft a Guidesheet for EO Determinations agents to use when working political advocacy cases, and directs Lowe to review the Guidesheet. Mike Seto directs that the Tea Party cases be reassigned to Hilary Goehausen and that the name on the SCR be changed from “Tea Party” to “political advocacy organization.”	Mike Seto, Hilary Goehausen, Carter C. Hull	IRS0000644018 IRS0000159753-63
Week of July 25, 2011	Lois Lerner convenes a meeting with representatives of Chief Counsel to discuss the political advocacy cases. They discuss the possibility of developing a model template of development questions for EOD agents to use in processing political advocacy cases.	Nancy Marks, Holly Paz, Janine Cook, Don Spellman	IRS0000635899-90
July 27, 2011	The BOLO is revised to note that Ron Bell is coordinating the cases with Justin Lowe.	Ron Bell	IRS0000352978-84

Date	Occurrence	Key Personnel Involved	Authority
July 27, 2011	Democracy 21 and Campaign Legal Center file with the IRS a “Petition for Rulemaking on Campaign Activities by Section 501(c)(4) Organizations.” The “Petition” calls on the IRS to revise existing regulations to preclude political campaign advocacy by organizations with 501(c)(4) tax-exempt status. The “Petition” describes Crossroads GPS as an organization engaged primarily in political campaign intervention, but that operates as a 501(c)(4) tax exempt entity, contrary to the requirements of the law.		IRS0000517176-96 http://www.democracy21.org/uploads/D21_and_CLC_Petition_to_IRS_7_27_2011.pdf
July 27, 2011	Lois Lerner forwards a copy of the “Petition” submitted by Democracy 21 to Ruth Madrigal, Office of Tax Policy, Department of the Treasury, stating to Madrigal “[t]hought you might be interested.”	Lois Lerner, Ruth Madrigal	IRS0000196795-96
July 31, 2011	Mike Seto prepares an SCR summary chart indicating that EO Technical is developing both a 501(c)(3) Tea Party application and a 501(c)(4) Tea Party Application. A proposed favorable determination for the 501(c)(4) organization is under review and a proposed denial for the 501(c)(3) organization is also under review. The SCR indicates that the two cases were discussed with Judith Kindell on April 6, 2011 and that based on that discussion, additional development letters were sent out. The proposed favorable ruling was forwarded to Chief Counsel for comment on May 4, 2011. A meeting was held with the Director EO on June 29, 2011, to discuss the two cases.	Mike Seto	IRS0000159753-63
August 1, 2011	Lillie Wilburn advises Lois Lerner that she has sent Lerner’s damaged hard drive to the IRS’ Criminal Investigations forensic lab to attempt data recovery.	Lillie Wilburn, Lois Lerner	IRS0000651448-50
Early August 2011	Don Spellman and other representatives of the Office of the Chief Counsel meet with Carter C. Hull, Hillary Goehausen, Mike Seto and others to discuss the two 501(c) cases that Chief Counsel reviewed and are sending back to EO Technical with the recommendation that EO Technical “factually develop the election year of 2010.” Also discussed is the “checksheet” that EO Technical is preparing, and IRS guidance and case law on the standard for exemption under 501(c)(4).	Don Spellman, Carter C. Hull, Hillary Goehausen, Mike Seto, David Marshall, Amy Franklin	IRS0000635899-90
August 4, 2011	Justin Lowe asks Holly Paz if the Office of Chief Counsel will review the “checksheet” prior to its issuance to EO Determinations. Paz answers “Yes.”	Holly Paz, Justin Lowe	IRS0000435479

Date	Occurrence	Key Personnel Involved	Authority
August 4, 2011	After performing several unsuccessful procedures to try to recover data on Lois Lerner's failed computer hard drive, John Minesk, Investigative Analyst, IRS – Criminal Investigations, advises Lillie Wilburn, IRS IT Field Director, that "[a]nother option is an outside data recovery service." Wilburn responds as follows: "... there's no need to continue."	John Minesk, Lillie Wilburn	IRSC038572-77
August 5, 2011	Lillie Wilburn informs Lois Lerner that data recovery attempts on Lerner's hard drive failed because sectors of the hard drive were bad.	Lillie Wilburn, Lois Lerner	IRS0000651448-50
August 10, 2011	Don Spellman and other representatives of the Office of the Chief Counsel meet with Carter C. Hull, Hilary Goehausen, Mike Seto and others to discuss the two 501(c) cases that Chief Counsel reviewed and are sending back to EO Technical with the recommendation that EO Technical "factually develop the election year of 2010." Also discussed is the "checksheet" that EO Technical is preparing, and IRS guidance and case law on the standard for exemption under 501(c)(4).	Don Spellman, Carter C. Hull, Hilary Goehausen, Mike Seto, David Marshall, Amy Franklin	IRS0000635899-90 IRS0000520827-41
August 17, 2011	Carter C. Hull prepares an SCR for the two Tea Party cases under his review. The SCR indicates that the draft proposed approval for Albuquerque Tea Party was returned for additional information and that he is preparing another development letter. The draft denial for American Junto is still pending with the reviewer. Estimated closure date is now December 31, 2011.	Carter C. Hull, Ron Shoemaker	IRS0000164564 - 66
September 15, 2011	Cindy Thomas and Holly Paz agree that Hilary Goehausen and Justin Lowe will triage all of the political advocacy cases pending in EO Determinations and place them in the following general "buckets:" those that can be approved; those that require development; and those that should be denied. Thomas sends a list of those cases to Paz.	Cindy Thomas, Holly Paz	IRS0000429529 (Email attachment containing taxpayer information omitted by Committee staff)
September 16, 2011	Mike Seto sends the August 31, 2011 SCR Report Table to Lois Lerner, Holly Paz and others. The reference to "Tea Party" is changed to "Political Advocacy Organizations." However, the stated issue is "whether a Tea Party organization meets the requirements under section 501(c)(3) and is not involved in political intervention."	Mike Seto, Holly Paz, Lois Lerner	IRS0000618548-57
September 21, 2011	Hilary Goehausen and Justin Lowe complete a draft "Advocacy Org. Guidesheet" and send it Judith Kindell, Carter C. Hull and others for comment.	Hilary Goehausen	IRS0000636285-97

Date	Occurrence	Key Personnel Involved	Authority
September 21, 2011	Holly Paz advises David Fish that there are over 100 “advocacy” cases pending in EO Determinations. Paz indicates her belief that “we cast the net too wide . . . and have held up cases that have nothing to do with lobbying or campaign intervention . . . We are tasking Hilary with the task of looking at these cases on TEDs and triaging them – identifying those that clearly are advocacy cases and those that are clearly not.”	Holly Paz, David Fish	IRS0000010131
September 27, 2011	Carter C. Hull prepares an SCR for the two Tea Party cases assigned to him. The applicants are no longer referred to as “tea parties” but rather as “advocacy organizations.” There are no further developments in either case.	Carter C. Hull, Ron Shoemaker	IRS0000163744-46
September 28, 2011	Democracy 21 and Campaign Legal Center send Lois Lerner a letter requesting that the IRS investigate Crossroads GPS, Priorities USA, American Action Network, and Americans Elect to determine if they are ineligible for tax-exempt status under section 501(c)(4).	Lois Lerner	IRS0000511970-93 http://democracy21.org/uploads/Letter_to_the_IRS_from_Democracy_21_and_Campaign_Legal_Center_9_28_2011.pdf
September 30, 2011	Lois Lerner directs David Fish to send to Dallas (EO Exams) the Democracy 21 letter of September 28, 2011 calling for an investigation into Crossroads GPS, Priorities USA, American Action Network, and Americans Elect.	Lois Lerner	IRS0000511994-2018
September 30, 2011	Lois Lerner asks Holly Paz and David Fish for “a status of where we are on revoking the determ letters of the other Emerge cases.”	Lois Lerner	IRS0000640620
October 4 - 6, 2011	Cindy Thomas asks Mike Seto about the status of the Guidesheet. Seto responds that “[w]e have a draft on areas to watch out for, but it is being vetted and not completed yet.”	Cindy Thomas, Mike Seto	IRS0000057399-426
October 5, 2011	Lois Lerner advises Nikole Flax that she is ready to meet with Steve Miller on political activity.	Lois Lerner	IRS0000463501

Date	Occurrence	Key Personnel Involved	Authority
October 19, 2011	<p>Steve Miller meets with Lois Lerner, Nanette Downing, Nikole Flax, Nancy Marks and others to discuss a proposal to adopt the “Dual Track” review process for EO Examinations. Under Dual Track, the Review Of Operation (ROO) can initiate its own reviews of organizations for engaging in political activity inconsistent with their exempt purposes, based on an analysis of data collected from the organizations on the Form 990. These reviews would be in addition to reviews initiated as the result of referral from sources outside of EO Exams alleging that organizations are engaged in excessive political activity. The proposal is referred to as “Dual Track” because reviews can be initiated under one of two possible means: 1) as the result of data analytics, or 2) outside referrals. Under the Dual Track proposal, all referrals, whether resulting from data analytics or from outside sources, are sent to the ROO and tested to determine if the organization’s return would have been otherwise selected for examination, and to review the Form 990 and other public information. Based on this test, the ROO can recommend that the organization be selected for examination, selected for a compliance check, or non-selected. The ROO’s referral is then sent to the Political Action Review Committee, or PARC. The PARC reviews to ROO’s recommendation and can either concur with it or modify it. If the organization is selected for examination or compliance check, the PARC also prioritizes the referral. High priority referrals are assigned to a group of agents and worked. All other referrals are dealt with under general exam procedures.</p> <p>Miller approves the Dual Track proposal but decides that he wants to “bounce it off Doug [Shulman.]”</p>	Lois Lerner, Steve Miller, Nikole Flax, Nancy Marks, Nanette Downing	IRS0000468121-28 SFC Interview of Steve Miller, (Dec. 12, 2013) pp. 76-78
October 19, 2011	Carter C. Hull prepares an SCR for the two advocacy cases assigned to him, Albuquerque Tea Party and American Junto. There are no changes from the prior month’s entry.	Carter C. Hull, Ron Shoemaker	IRS0000167129-30
October 21, 2011	The IRS revokes tax-exempt status for previous approved Emerge organizations.	David Fish	IRS0000636331-32
October 24, 2011	Hilary Goehausen prepares comments on each of the political advocacy cases pending in EO Determinations. The comments are intended to assist EO Determinations agents process the cases. Thomas Lieber forwards those comments to Cindy Thomas.	Cindy Thomas	IRS0000057399-426

Date	Occurrence	Key Personnel Involved	Authority
October 25, 2011	Cindy Thomas reviews Hilary Goehausen's comments on the political advocacy cases and states to Mike Seto "[n]ot sure where this leaves us and I'm unclear as to what action is being suggested for some of these cases Also, where do we stand on the [Guidesheet] . . . We're starting to get a lot of heat from the public on these cases sitting idle and now have Congressionals on some of these. What is the plan of action and estimated completion date?"	Cindy Thomas, Mike Seto	IRS0000057399-426
October 26, 2011	Hilary Goehausen explains to Cindy Thomas her notations with regard to the cases that she reviewed.	Hilary Goehausen, Cindy Thomas	IRS0000057399-426
October 30, 2011	Cindy Thomas expresses to Mike Seto her continued concern over Hilary Goehausen's comments on the cases reviewed by Goehausen. Thomas states that "[i]t was my understanding that from Holly that the cases were going to be put in buckets, i.e., those that can be approved as is, those that require additional development, and those that appear to be denials." Regarding the Guidesheet, Thomas tells Seto that "I'm not sure what the hold is on the document/guidance EOT is supposed to be providing for us . . ." Thomas expresses concern that continued delay in processing the political advocacy cases may result in Congressional inquiries.	Cindy Thomas, Mike Seto	IRS0000057399-426
November 2011	Mike Seto reassigns Carter C. Hull's political advocacy cases to Hilary Goehausen.	Carter C. Hull, Mike Seto, Hilary Goehausen	SFC Interview of Carter C. Hull, (July 23, 2013) not transcribed
November 3, 2011	Hilary Goehausen incorporates comments received from Carter C. Hull on the draft "Advocacy Org. Guidesheet." She sends a revised draft to Judith Kindell and others requesting comments and suggestions.	Hilary Goehausen	IRS0000057352-65
November 3, 2011	Lois Lerner emails Mike Seto, Cindy Thomas, and others expressing her concern about the amount of work in Rulings and Agreements and how that work is being handled. She states her view that "we should be making prioritization decisions based on EO as a whole, not in our own stovepipes." She asks for reports on workloads, backlogs, and cases pending in the Chief Counsel's Office.	Lois Lerner, Cindy Thomas, Mike Seto	IRS0000162701-08

Date	Occurrence	Key Personnel Involved	Authority
November 3, 2011	In response to Lerner's email of the same date, Cindy Thomas advises Lois Lerner that there is a backlog of advocacy cases in EO Determinations. She indicates that there are more than 161 cases sitting idle in EO Determinations and that some of the cases date back to 2009. She states that EO Determinations has been waiting for a guidance/reference document from EO Technical. She expresses her concern that there will soon be Congressional inquiries and Taxpayer Assistance Orders to deal with in addition to processing the cases. She also tells Lerner that she instructed one of her Determinations agents to send another development letter out in a case just to buy time and prevent a taxpayer from contacting his Congressional office.	Lois Lerner, Cindy Thomas	IRS0000162845-46 (Email attachment containing taxpayer information omitted by Committee staff)
November 6, 2011	David Fish, Acting Director for Rulings and Agreements, concludes that the guidesheet "won't work in its present form. I think we need to work with Determs to make it a usable document."	David Fish, Mike Seto, Cindy Thomas	IRS0000520827-41 SFC Interview of Holly Paz, (July 26, 2013) pp. 132-133
November 15, 2011	Cindy Thomas sends Hilary Goehausen's comments on the political advocacy cases to Judith Kindell, per the request of Lois Lerner.	Cindy Thomas, Lois Lerner, Judith Kindell	IRS0000057399-426
November 15, 2011	Hilary Goehausen prepares an SCR for Albuquerque Tea Party and American Junto, the two political advocacy cases that were reassigned from Carter C. Hull to her. Goehausen notes that a third development letter is being prepared for both organizations. She notes that EOT has reviewed approximately 160 political advocacy cases pending in EO Determinations.	Hilary Goehausen, Steve Grodnitzky	IRS0000163753-54
November 15, 2011	Steve Miller, Nikole Flax and others meet with Commissioner Douglas Shulman to apprise him of the proposed "Dual Track" process. Shulman approves the proposal.	Steve Miller, Douglas Shulman	SFC Interview of Steve Miller, (Dec. 12, 2013) p. 86 IRS0000468518-20
November 22, 2011	Mike Seto brings Cindy Thomas up-to-date on Hilary Goehausen's review of advocacy cases pending in EO Determinations. He advises Thomas that 162 cases have been screened; 12 may qualify for exemption, 15 may be denials; and the balance require further development.	Mike Seto, Cindy Thomas	IRS0000439824-26
November 23, 2011	Cindy Thomas provides Steve Bowling with a copy of the Guidesheet and tells Bowling "for those cases that EOT believes can be approved, I'd recommend you go ahead and have those cases worked now that the Guidesheet is available."	Cindy Thomas, Steve Bowling	IRS0000066140-66

Date	Occurrence	Key Personnel Involved	Authority
November 28, 2011	Mike Seto instructs Steve Grodnitzky to track all political advocacy cases in EO Technical. He tells Grodnitzky that Ron Shoemaker will screen the cases and that they will be assigned to Grodnitzky's Group.	Mike Seto, Steve Grodnitzky, Ronald Shoemaker	IRS0000012230
Week of November 28, 2011	Cindy Thomas replaces Ron Bell as Coordinator of political advocacy cases and installs Stephen Seok in his place. She meets with Seok and Steve Bowling to discuss the idea of forming a team of Determinations Unit Specialists to work the political advocacy cases (Advocacy Team). The Advocacy Team will be comprised of one GS-13 member of each of the EO Determinations Groups.	Cindy Thomas, Steve Bowling, Stephen Seok	IRS0000439824-26
November 29, 2011	Steve Grodnitzky asks Mike Seto if the advocacy cases are to receive "expedited" treatment. Seto responds by telling Grodnitzky that "[t]he advocacy cases are not expedited unless the taxpayer requested expedited treatment and the request was approved. The exceptions are the two cases that are on the SCRs."	Steve Grodnitzky, Mike Seto	IRS0000012231
November 29, 2011	An EO Determinations employee shares his questionnaire template with another employee working voter registration cases.	Grant Herring	IRS0000631168
December 7, 2011	Cindy Thomas announces the formation of the Advocacy Team, whose members will work on the political advocacy cases. Team members are: Stephen Seok (Coordinator); Ronald Bell; Janine Estes; Joseph Herr; Grant Herring; Mitch Steele; Carly Young; Jodi Garuccio; Annetta Morris; Gregory Woo; and Elizabeth Marquez.	Cindy Thomas	IRS0000436489-90
December 9, 2011	Liz Hofacre is named to the Advocacy Team. Mike Seto names Hilary Goehausen and Justin Lowe as EO Technical contacts for the Team.	Liz Hofacre	IRS0000439824-26
December 12, 2011	Stephen Seok sends a copy of the draft Guidesheet to the Advocacy Team.	Stephen Seok	IRS0000059316-28
December 16, 2011	Stephen Seok convenes the first meeting of the Advocacy Team. The Team discusses: the history of the advocacy cases; the purpose of the team; how the team will review the cases; and other matters. There are 172 political advocacy cases pending as of this date.	Stephen Seok	IRS0000013058-61

Date	Occurrence	Key Personnel Involved	Authority
December 29, 2011	Hilary Goehausen prepares an SCR for the political advocacy cases that are assigned to her. She notes that the application from American Junto will be closed for failure to respond to a development letter. The estimated closure date for these cases is now December 31, 2012.	Hilary Goehausen	IRS0000163764-66 (Email attachment containing taxpayer information omitted by Committee staff)
January 9, 2012	Cindy Thomas is sent an article from Tax Notes about Occupy groups applying for tax-exempt status with a note, “Elevating for consideration to add to BOLO.”	Peggy Combs, Cindy Thomas	IRS0000013414-15
January 18, 2012	Stephen Seok informs Steve Bowling that 35 of the “170+” political advocacy cases have been assigned to the Advocacy Team and that he is reviewing development letters that will soon be ready to be released. Seok indicates that the Team will be creating template development questions in the near future.	Stephen Seok, Steve Bowling	IRS0000434203-08
Various dates in January 2012	The Advocacy Team begins to release development letters on the political advocacy cases. Team members use the questions in the Guidesheet when creating development questions to send to applicants for exemption. Many of the development letters contain intrusive and burdensome requests for information.	Advocacy Team	IRS0000483837-59 IRS0000626189-91 IRS0000455273-74 SFC Interview of Joseph Herr, (June 18, 2013) not transcribed
January 19, 2012	Hilary Goehausen prepares an SCR for the political advocacy cases that have been assigned to her. Only the Albuquerque Tea Party application remains open and Goehausen notes that she is reviewing the latest response from the organization. Estimated closure date is May 2012.	Hilary Goehausen	IRS0000163774-75
January 20, 2012	Cindy Thomas tells Steven Bowling that the Occupy groups should be referred to his group so they can be worked “with the advocacy cases.” Bowling agrees they should be worked with the advocacy cases and says the BOLO needs to be modified to “capture these as well as to try and weed out the ones that we do not want in this inventory...I know we don’t want to use the words ‘tea party’ or ‘occupy’ but I’m not sure how we could weed out a simple advocacy type organization.” Cindy Thomas suggests they speak to some other managers to see “if they have any ideas” on wording the revised entries on the BOLO.	Steven Bowling, Cindy Thomas, Cindy Thomas	IRS0000013418-19

Date	Occurrence	Key Personnel Involved	Authority
January 24, 2012	<p>Bowling presents two options to Cindy Thomas to modify the BOLO list. The first scenario “is very general but we think it’s better than what we currently have.” The second scenario “is what is preferred; we think it is clear and to the point but if we can’t site ‘tea party’ or ‘occupy’ then we don’t need to consider it.” [sic]</p> <p>Thomas replies, “[w]e can’t refer to ‘tea party’ cases because it would appear as though we’re singling them out and not looking at other Republican groups or Democratic groups...How about a compromise – What do you think about changing the description for advocacy organizations on the Emerging Issues tab to that which you’ve included under scenario #1; then, you could include the Occupy description from your scenario #2 on the Watch For tab specifying that these cases should be referred to your group? We could still have the same grade 13 agents working the advocacy and Occupy cases.”</p>	Cindy Thomas, Steven Bowling	IRS0000621814-17
January 25, 2012	<p>Steve Bowling changes the BOLO spreadsheet entry for “Advocacy Orgs” and replaces it with “Current Political Issues.” Bowling revises the criteria as follows: “political action type organizations involved in limiting/expanding Government, educating on the Constitution and Bill of Rights, Social economic reform/movement.” Bowling changes the coordinator contact from Ronald Bell to Stephen Seok.</p>	Steve Bowling	<p>IRS0000352978-84</p> <p>SFC Interview of Ronald Bell (July 30, 2013) not transcribed</p>
January 25, 2012	<p>Steve Bowling informs Ronald Bell that he has made changes to the emerging issues tab of the BOLO to “remove advocacy groups” and “to update the issue in an effort to capture what we are looking for.” Bowling explains to Bell that the July 2011 BOLO criteria was too broad and was catching cases that did not involve political advocacy issues. He instructs Bell to send out the revised BOLO. Bell asks about Bowling’s use of the phrase “Social economic reform” in the revised criteria. He states that this was “code” for the Occupy groups and since Bowling added the Occupy groups to the BOLO, there was no need to use this phrase. Bowling advises to leave the phrase in the BOLO, as other groups might also advocate for social economic reform.</p>	Steve Bowling, Ron Bell	<p>IRS0000013187</p> <p>SFC Interview of Ronald Bell (July 30, 2013) not transcribed</p>

Date	Occurrence	Key Personnel Involved	Authority
February 10, 2012	Cindy Thomas emails Holly Paz the Tax Notes article previous emailed on January 20 th . Thomas writes, “The information below is what we have for the ‘Occupy’ groups. We added this to our ‘Watch List’ tab on our BOLO spreadsheet. Also, our revised write up for the advocacy cases is included on the “Emerging Issues” tab.” Attached to Thomas’ email is a copy of the BOLO spreadsheet. The Emerging Issues tab of the spreadsheet contains an entry for an issue labeled “Current Political Issues.” The issue is described as “[p]olitical action type organizations involved in limiting/expanding government, educating on the constitution and bill of rights, \$ocial economic reform / movement.”	Holly Paz, Cindy Thomas.	IRS0000013754-60
February 15, 2012	Stephen Seok distributes draft template development questions to the Advocacy Team together with the Guidesheet. He plans to convene a meeting in the near future to finalize the draft template development questions and development guidance.	Stephen Seok	IRS0000594910-29
February 21, 2012	Hilary Goehausen prepares an SCR for the political advocacy cases assigned to her. She notes that with regard to the only open case, the Albuquerque Tea Party, she is now preparing a proposed denial.	Hilary Goehausen	IRS0000163778-80 (Email attachment containing taxpayer information omitted by Committee staff)
February 22, 2012	Stephen Seok, Joseph Herr, Ronald Bell and others meet with Steve Bowling to discuss the draft template development questions.	Steve Bowling, Stephen Seok, Joseph Herr, Ronald Bell	IRS0000594936

Date	Occurrence	Key Personnel Involved	Authority
February 22, 2012	<p>In preparation for a meeting with Steve Miller, Lois Lerner asks Holly Paz for the number of all advocacy cases in the pipeline, whether they are screened or sent to full development, and whether there is history on similarly situated organizations. Paz asks Cindy Thomas for the number of advocacy cases and to confirm that all applications meeting the BOLO criteria receive full development. She also asks Thomas “[h]ow do we have this described in the bolo?” Thomas responds by providing Paz with information showing that there are over 200 advocacy cases pending, and tells Paz that all cases that meet the BOLO criteria get full development. She also provides Paz with the Emerging Issues tab from the BOLO spreadsheet that contains the entry for political advocacy cases. That entry reflects the changes made by Steve Bowling on January 25, 2012 and now reads:</p> <p>“Current Political Issues – Political action type organizations involved in limiting/expanding government, educating on the constitution and bill of rights, \$ocial economic reform/movement. Note: typical advocacy type issues that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria unless they are also involved in activities described above.”</p>	Lois Lerner, Holly Paz, Cindy Thomas	IRS0000013739-48
February 24, 2012	<p>Holly Paz sends Don Spellman the Guidesheet for his review. The draft Guidesheet is dated November 2011. Spellman forwards the Guidesheet to his supervisor, Janine Cook, and informs her that the Guidesheet requires “corrections, additions, changes all over.” He indicates that he will assemble a working group with EO to review the Guidesheet. Cook does not know why TE/GE waited so long to seek Chief Counsel input on the Guidesheet.</p> <p>Spellman determines that in its current form, the Guidesheet departs from published IRS guidance, necessitating review and approval by Treasury’s Office of Tax Policy.</p>	Holly Paz, Don Spellman, Janine Cook	<p>IRS0000056937-50</p> <p>SFC Interview of Janine Cook, (Sep. 9, 2013) p. 72</p> <p>SFC Interview of Donald Spellman, (July 10, 2013) pp. 88-90</p>

Date	Occurrence	Key Personnel Involved	Authority
February 24, 2012	Lois Lerner meets with Republican Congressional staff to discuss the IRS' processing of several applications for exemption from Tea Party groups (Ohio Liberty Council and Shelby County Liberty Group). She tells Holly Paz, Janine Cook and Don Spellman that Congressional Staff has asked for a copy of the Guidesheet. She asks Spellman and Cook to review the Guidesheet and let her know their concerns so that the Guidesheet can be finalized. Lerner also asks Paz to prepare for her a timeline showing the increase in the number of applications from political advocacy groups, and when cases were sent to R&A for guidance.	Lois Lerner, Holly Paz	IRS0000220094-98 IRS0000220078-83
February/March 2012	Victoria Judson reviews the Guidesheet. She suggests that the Guidesheet be revised to instruct agents to ask applicants for representative samples of documents, instead of copies of every document generated by the applicant.	Victoria Judson	SFC Interview of Victoria Judson, (Sep. 11, 2013) pp. 60-61
February 27, 2012	Joseph Herr, a member of the Advocacy Team, asks Stephen Seok when the Team will be permitted to again send out development letters. Seok forwards Herr's inquiry to Steve Bowling who forwards it to Cindy Thomas. Thomas asks why development letters are not being sent out. Bowling denies telling Seok to stop sending out development letters and explains that Seok misunderstood Bowling's directive to not develop template questions.	Steve Bowling, Cindy Thomas	IRS0000594958-63
February 28, 2012 to March 1, 2012	Stephen Seok sends Steve Bowling a list of template development questions that the Advocacy Team generated for use in processing political advocacy cases. Bowling forwards the template questions to Cindy Thomas and she sends them to Holly Paz, Justin Lowe and Andy Megosh. Thomas tells Paz that she will check to make sure that "our folks were instructed not to ask questions if information is in the case file."	Cindy Thomas, Steve Bowling	IRS0000605973-80
February 28, 2012	Lois Lerner adds a sentence to a statement prepared by Michele Eldridge in response to an AP inquiry. The sentence states that 501(c)(4) organizations can operate without material barrier in the absence of approval of their tax exempt status by the IRS. In explaining her suggested edit, Lerner states that "it doesn't harm you that we take a long time."	Lois Lerner, Steve Miller, Nikole Flax	IRS0000341674-76

Date	Occurrence	Key Personnel Involved	Authority
February 29, 2012	Steve Miller asks Nikole Flax to find out how many cases are pending in EO Exams that involve allegations of political activity. She indicates over 100 501(c)(3), (4), (5) and (6) cases have allegations of political activity and that there are 51 501(c)(4) cases in Exams (not limited to allegations of political activity).	Steve Miller, Nikole Flax	IRS0000219479-82
February–April 2012	Numerous news articles begin to appear in the press reporting on complaints from various Tea Party organizations about the IRS use of intrusive, burdensome and repetitive questions, as well as the IRS’ failure to issue determinations on applications for exemption. Congressional interest in the IRS’ treatment of Tea Party groups increases.		IRS0000341677-80 IRS0000325929-30 IRS0000212412-414
February 29, 2012	Lois Lerner asks Holly Paz and Cindy Thomas if Cincinnati has been given “new guidance on how they might reduce the burden in the information requests and make it clearer that recipients can ask for extensions.” Lerner states “I don’t want any more letters going out on advocacy cases until the letters have been adjusted.” She also expresses concern that the letters that EO Determinations staff is sending to applicants are identical. In response, Thomas asks Steve Bowling to find out what the agents are doing. Bowling reports back that the agents are modifying the template questions to fit the circumstances and understand that they shouldn’t ask for information that has already been provided.	Lois Lerner, Holly Paz, Cindy Thomas, Steve Bowling	IRS0000594977-80
March 2, 2012	Janine Cook forwards to Victoria Judson an article from the <i>Huffington Post</i> entitled “IRS Battles Tea Party Groups Over Tax Exempt Status.” The article states that “[t]he fight features instances in which the IRS has asked for voluminous details about the groups’ postings on social networking sites . . . , information on donors and key members’ relatives, and copies of all literature they have distributed to their members” Cook tells Judson that other than reviewing the Guidesheet, she hasn’t heard anything from the client about its review of applications from advocacy organizations.	Janine Cook, Victoria Judson	IRS0000014473-76
March 2012	Douglas Shulman is scheduled to testify before the House Ways and Means Subcommittee on Oversight on March 22, 2012. In preparation for the hearing, Shulman discusses with Steve Miller the allegation that intrusive questions are being asked to Tea Party organizations.	Douglas Shulman, Steve Miller	SFC Interview of Douglas Shulman, (Dec. 3, 2013) pp. 59-66

Date	Occurrence	Key Personnel Involved	Authority
March 2, 2012	A member of Congress reaches out to Commissioner Doug Shulman regarding “Applicant X,” an organization seeking exemption under 501(c)(3). The organization had submitted an application in October 2011 and had twice requested expedited review, and twice the IRS denied the request. Shulman is advised to tell the member that he doesn’t get involved in individual cases and that he convey to EO why the member thinks the application should be expedited.	Doug Shulman	IRS0000411951-52 (Email attachment containing taxpayer information omitted by Committee staff)
March 5, 2012	Don Spellman asks to meet with EO to go over his comments and suggestions for the Guidesheet. Lois Lerner expresses the view that there won’t be enough time to finalize the Guidesheet since it is already with Steve Miller and she will be visiting the Senate Finance Committee on March 8, 2012 to discuss the Guidesheet.	Lois Lerner	IRS0000057789-90
March 5, 2012	In response to an email from Stephen Seok asking whether EO Technical will review the first proposed approval of a political advocacy organization’s application for tax exemption, Mike Seto directs that: <ul style="list-style-type: none"> • “EOD will send the application up; • Hilary will look at it first then Justin; • Once EOT/EOG review is completed and recommendations made, we send the application to Counsel for review based on the information in the file and front office concurrently; • We will then do a briefing with the executives on the case.” Thomas tells Seto that EO Determinations will be sending to EO Technical a 501 (c)(3) denial soon and asks EO Technical review it.	Mike Seto	IRS0000594982-84
March 5, 2012	In reaction to stories in the press regarding complaints from Tea Party groups about the nature of the development letters that they are receiving from the IRS, Holly Paz instructs Cindy Thomas to suspend sending out development letters. She also asks Thomas to send her some copies of “development letters we have sent to these orgs that have different questions from the ones that have been reported in the press . . . Lois wants to support her story that we are not asking everyone the same questions – that the letters are tailored.”	Holly Paz, Cindy Thomas	IRS0000477182-83

Date	Occurrence	Key Personnel Involved	Authority
March 6, 2012	Nikole Flax asks to meet with Lois Lerner and Holly Paz to discuss the member of Congress' request for expedited treatment of "Applicant X's" application for exemption under 501(c)(3). Lerner responds that the application will be approved that day. Flax asks Lerner if the approval is based on new information received from the organization. Cindy Thomas advises Lerner that the case was approved based on the information already in the file.	Lois Lerner, Nikole Flax, Cindy Thomas, Holly Paz	IRS0000429946-47
March 6, 2012	Cindy Thomas sends a draft approval of a 501(c)(4) political advocacy case to Mike Seto for review.	Cindy Thomas, Mike Seto	IRS0000617020-21
March 7, 2012	Janine Cook sends the Guidesheet to William Wilkins and to Erik Corwin. She explains to them that EO prepared the Guidesheet to assist EO Determinations in processing applications for exemption that involve political advocacy and lobbying. She further indicates that Congress has made inquiries of Lois Lerner as to how the advocacy cases are being handled because of concerns over delays and allegations of intrusive development questions. Cook tells Wilkins and Corwin that Congress has asked to see the Guidesheet. Cook explains that her staff has worked quickly in turning around comments on the Guidesheet.	Janine Cook, William Wilkins, Erik Corwin	IRS0000056969-83
March 7, 2012	Lois Lerner directs that EO Determinations advise organizations that have received a development letter that they will be given 90 days to respond to the development letter, and that if they do not respond within those 90 days, that their case will be put in suspense for an additional 90 days. Thereafter, the case will be closed and the organization will be required to re-apply. Cindy Thomas tells Paz that "obviously, we'll do what we are told" but questions Paz why Lerner is directing this change. Paz states that "when we have had a case for a long time without taking action and are asking for a lot of stuff, we have to give more time." Paz notes to Thomas: "I also do what I am told."	Cindy Thomas, Holly Paz, Lois Lerner	IRS0000593393-96
March 8, 2012	TIGTA staff meets with Oversight and Government Reform staff to hear their concerns regarding the IRS' treatment of Tea Party groups seeking tax-exempt status.	Matt Sutphen, Nancy Nakamura, Troy Patterson	Emails from Matt Sutphen to Nancy Nakamura, Troy Patterson and others, Mar. 1-8, 2012

Date	Occurrence	Key Personnel Involved	Authority
March 8, 2012	Steve Miller directs that if an organization that has been asked to provide donor information calls about the request, agents are to permit the organization to not send in the donor information.	Steve Miller	IRS0000414835-36
March 9, 2012	<p>Mike Seto announces a 7-step process by which EO Technical will provide technical assistance to EO Determinations on political advocacy cases. The seven steps are as follows:</p> <ol style="list-style-type: none"> 1) Request assigned to Hilary Goehausen; 2) Goehausen's recommendation is then reviewed by Justin Lowe (EO Guidance); 3) When Lowe completes his review, Seto schedules a meeting with Cindy Thomas and Donna Abner; 4) EO Technical meets with Thomas and Abner to discuss; 5) The recommendation is then sent to the Chief Counsel's office for review; 6) Once Counsel comments, a meeting is scheduled with Lois Lerner and Holly Paz to discuss the recommendation; and 7) The recommendation is issued. 	Mike Seto	IRS0000066875
March 13, 2012	William Wilkins receives the Chief Counsel TE/GE biweekly report. It contains an entry explaining how EO requested expedited review of the Guidesheet (within one week) and how Chief Counsel staff worked quickly to provide EO with comments and suggested revisions.	William Wilkins	IRS0000061498-61505
March 14, 2012	Steve Miller analyzes the holding of the <i>Citizens United</i> decision in handwritten notes. Miller notes that after the decision, there was a "rise of super PACS." He also notes that the decision contributed to an increase in 501(c)(4)s that can engage in "unlimited issue advocacy" but "limited political campaign activity." He further notes that if approved, a 501(c)(4)'s "donor list is not public."	Steve Miller	IRS0000506870-71
March 15, 2012	In coordination with Steve Miller's office, EO develops guidance for treating advocacy cases. For cases in which an additional development letter was sent but no response was received, the organizations will be given a 60-day extension. Cases already placed in suspense for failure to respond to a development letter will be taken out of suspense and the applicant will be provided an additional 60 days to respond. Stephen Seok informs the Advocacy Team of the guidance.	Holly Paz, Cindy Thomas	IRS0000455356-58 IRS0000599500-02

Date	Occurrence	Key Personnel Involved	Authority
March 21, 2012	Hilary Goehausen prepares an SCR for the political advocacy cases assigned to her. Regarding the Albuquerque Tea Party, she notes that it has retained counsel and that counsel has requested an extension of time until May 15, 2012 to respond to the second development letter. Estimated closure date is now July 31, 2012.	Hilary Goehausen	IRS0000163796-97
March 21, 2012	Janine Cook sends a revised version of the Guidesheet to Lois Lerner. She indicates that Lerner was not satisfied with the initial round of edits by Chief Counsel staff and asked that the Guidesheet be revised so as to be more usable to EO Determinations staff. Cook suggests a meeting and expresses her concern that the Guidesheet must not state new guidance, but rather just restate existing rules, so as to avoid the necessity of securing Treasury Department review.	Janine Cook, Lois Lerner, Victoria Judson	IRS0000056992-57043
March 22, 2012	In response to a question from Rep. Boustany about the IRS targeting Tea Party organizations for additional scrutiny, Douglas Shulman tells the House Ways and Means Subcommittee on Oversight that “[t]here is absolutely no targeting.”	Douglas Shulman	Transcript of W&M Hearing on IRS Targeting Mar 22, 2012
March 23, 2012	Stephen Seok provides Cindy Thomas with template questions distributed to the Advocacy Team of EO Determinations Specialists. Included in the questions is a demand for donor information. Seok denies using these questions as a “template.” Rather, he asserts that the questions were distributed to the Team “just for reference.”	Stephen Seok, Cindy Thomas	IRS0000414842-55
March 2012	Steve Miller discusses with Nancy Marks, Senior Technical Advisor to the TE/GE Commissioner, his concerns with the processing of Tea Party applications in Cincinnati. These concerns are a product of both media stories and Congressional inquiries. Miller asks Marks to visit the Cincinnati operation, find out what is going on, and make recommendations to address any issues.	Steve Miller, Nancy Marks	SFC Interview of Steve Miller, (Dec. 12, 2013) pp. 128-129
March 26, 2012	David Marshall, Attorney in the Chief Counsel’s Office, submits an inventory of his assignments to his supervisor. Marshall includes his work on the Guidesheet and states that it is a matter of the “highest priority” and that the issue of political campaign intervention by 501(c)(4) organizations is the subject of much Congressional attention.	David Marshall	IRS0000058862-71

Date	Occurrence	Key Personnel Involved	Authority
March 26, 2012	The <i>EO Tax Journal</i> publishes a letter from Landmark Legal Foundation to TIGTA calling for an investigation of the IRS' handling of Tea Party applications. Joseph Urban sends the letter to Nancy Marks and Joseph Grant. Marks responds by stating "we might want to call TIGTA to say we'd welcome this." Grant also states that "it would be a good idea to have TIGTA review this."	Nancy Marks, Joseph Grant	IRS0000218372-75
March 29, 2012	TIGTA sends Lois Lerner and others an email containing an audit planning notification. The notification advises that TIGTA will audit IRS' handling of applications for 501(c)(4), (c)(5) and (c)(6) organizations.	Lois Lerner, Steve Miller,	IRS0000509688 (email attachment omitted)
Late March 2012	Steve Miller informs Douglas Shulman that he is sending Nancy Marks to Cincinnati to find out how EO Determinations has been processing political advocacy cases. Miller tells Shulman that TIGTA will also be doing a report on the matter.	Douglas Shulman, Steve Miller	SFC Interview of Douglas Shulman, (Dec. 3, 2013) pp. 35-36
April 3, 2012	Victoria Judson sends William Wilkins and Erik Corwin an agenda for the TE/GE bi-weekly meeting. Included in the agenda is the Guidesheet.	Victoria Judson, William Wilkins	IRS0000232208-09
April 16, 2012	Steve Miller is informed that TIGTA is in Ogden, Utah investigating the disclosure of the 2008 Schedule B of the National Organization for Marriage (NOM). The Schedule B contains a list of donors who have given \$5,000 or more to the entity.	Steve Miller	IRS0000279572-73
April 17, 2012	Nikole Flax sends Lois Lerner an article from <i>The Hill</i> in which GOP lawmakers state that the IRS harassed Tea Parties and call for an investigation. Lerner responds by stating "I get more and more concerned that these cases can't properly be worked in Cincy."	Lois Lerner, Nikole Flax	IRS0000325929-30
April 17, 2012	Hilary Goehausen prepares an SCR for the political advocacy cases assigned to her. Goehausen notes that Cincinnati sent EO Technical the case file for a 501(c)(4) organization (First Coast Tea Party) that Cincinnati determined should be approved. EO Technical and EO Guidance reviewed the file and determined that the application should be denied. EO Technical is preparing the denial that will need to be reviewed by TE/GE Counsel. Goehausen further notes that there are nine additional political advocacy cases pending in EO Technical.	Hilary Goehausen	IRS0000163812-14 (Email attachment containing taxpayer information omitted by Committee staff)

Date	Occurrence	Key Personnel Involved	Authority
April 23 - 25, 2012	Nancy Marks, together with Holly Paz, Sharon Light (Senior Technical Advisor to the Director, EO), Rob Malone, and Joe Urban (Senior Technical Advisors to the TE/GE Commissioner) visit EO Determinations in Cincinnati to interview employees on the handling of political advocacy cases and to review applications for exemption by political advocacy organizations.	Holly Paz, Sharon Light, Rob Malone, Nancy Marks, Joe Urban	IRS0000003152-55
April 25, 2012	At Holly Paz's request, Judith Kindell reviews development letters sent to applicant organizations by EO Determinations. Kindell reports back to Paz a list of troubling questions that EO Determinations asked of applicant organizations. The questions ask, among other things for: the names of donors; a list of all issues important to the organization and its positions relative to the issues; the substance of conversations between the members of the organization and audiences at events; whether officers or directors will run for office; the political affiliations of officers, directors and speakers; and the activities of other organizations.	Holly Paz, Judith Kindell	IRS0000013868 (Email attachment containing taxpayer information omitted by Committee staff)
April 25, 2012	Don Spellman provides Lois Lerner with comments on the draft Guidesheet.	Don Spellman, Lois Lerner	IRS0000512392-419
April 27, 2012	Cindy Thomas advises the Advocacy Team of changes in the process for reviewing advocacy cases. She states "[u]ntil further notice, you don't have to request new political advocacy cases for assignment. . . you won't be sending development letters to your individual contacts [in EO Technical]. Instead, they will all be sent to Sharon Light, who will control them. . . Holly will let us know when . . . we need for you to start requesting new political advocacy cases for assignment."	Cindy Thomas, Advocacy Team members	IRS0000005394
April 29, 2012	Steve Miller and Nikole Flax ask Cathy Livingston, Deputy Associate Chief Counsel, TE/GE Division, to review the Guidesheet. She responds with several pages of questions and comments and concludes that the Guidesheet reflects "the best efforts of a team that has not had the requisite experience with working the cases and issues."	Steve Miller, Nikole Flax, Cathy Livingston	IRS0000063118-21
April 30, 2012 to May 2, 2012	A team of TIGTA auditors visits EO Determinations in Cincinnati for a walkthrough of the application process and to obtain information on the availability of data.	Tom Seidell, Cheryl Medina, Michael McGovern	Email from Troy Patterson to Thomas Seidell, Apr. 30, 2012

Date	Occurrence	Key Personnel Involved	Authority
May 2, 2012	Lois Lerner writes to Steve Miller and asks for a better understanding of roles and responsibilities in dealing with the 501(c)(4) cases. She states that Miller has asked Nancy Marks to “take a deep look” at what is going on and that unbeknownst to her, Cathy Livingston has made comments on the Guidesheet and Nancy Marks has directed one of Lerner’s employees to meet with Livingston.	Lois Lerner, Steve Miller	IRS0000468556
May 3, 2012	<p>Nancy Marks reports to Steve Miller on the results of her 3-day trip to EO Determinations in Cincinnati from April 23-25, 2012, during which time she interviewed employees and reviewed cases. Marks tells Miller that: the use of intrusive development questions resulted from a lack of guidance and training by EO Technical to EO Determinations; there are 250-300 political advocacy cases in the queue; the EO Determinations agents used a “BOLO” list with “Tea Party” and “9/12” on it as screening criteria but that the problem with using such criteria had been “fixed” earlier; among the political advocacy cases in the queue are cases on both sides of the political spectrum; TIGTA is reviewing EO’s treatment of the cases; and she found no evidence of political bias.</p> <p>Marks makes the following recommendations to Miller: train the EO Determinations agents; pair EO Determinations agents with EO Technical staff to provide direct assistance; and review all of the political advocacy cases through a “bucketing” exercise that allows the cases that didn’t require much or any further development to be quickly decided.</p> <p>Based on Cathy Livingston’s concerns about the Guidesheet, Steve Miller decides to proceed with Nancy Marks’ suggestion to train EO Determinations agents instead of using the Guidesheet. Further development of the Guidesheet ceases and it is shelved.</p>	Nancy Marks, Steve Miller	<p>SFC Interview of Steve Miller, (Dec. 12, 2013) pp. 133-144</p> <p>SFC Interview of Nikole Flax, (Nov. 21, 2013) pp. 85-86</p>
May 3, 2012	Steve Miller briefs Douglas Shulman, Commissioner of the IRS, on Nancy Marks’ findings. He conveys to Shulman the salient points, including the existence of the BOLO list and its criteria. He also tells Shulman that the BOLO list issue has been resolved.	Steve Miller, Douglas Shulman	<p>SFC Interview of Steve Miller, (Dec. 12, 2013) p. 142</p> <p>SFC Interview of Douglas Shulman, (Dec. 3, 2013) pp. 37-40</p>

Date	Occurrence	Key Personnel Involved	Authority
May 2012	Steve Miller believes that Stephen Seok and John Shafer are responsible for the change made to the BOLO by Steve Bowling on January 25, 2012. Accordingly, Miller has Shafer and Seok counseled by Cindy Thomas for changing the BOLO criteria. Miller is subsequently told that neither Seok nor Shafer were behind the change, but he never finds out who actually did direct the change (Thomas and Bowling). He also has Seok reassigned so that he no longer is the Advocacy Team coordinator since Seok was responsible for the intrusive development letters and because he had not performed well as the Advocacy Team coordinator.	Steve Miller, John Shafer, Stephen Seok, Steve Bowling	SFC Interview of Steve Miller, (Dec. 12, 2013) pp. 143-145
May 8, 2012	<p>Holly Paz informs Cindy Thomas that a team from Washington D.C. will arrive in Cincinnati on May 14, 2012. The team members (Matthew Giuliano; Hilary Goehausen; Judy Kindell; Sharon Light; Justin Lowe; Andy Megosh) will provide training to the Advocacy Team. Training will begin on May 14 and end on May 15. Paz informs Thomas that starting on May 16, 2012, the training team and several Determinations Unit Specialists will start to place the political advocacy cases in “buckets” as follows:</p> <p>Bucket 1 – favorable (no further substantive development required).</p> <p>Bucket 2- favorable (limited development required).</p> <p>Bucket 3 – significant development.</p> <p>Bucket 4 –likely denial</p> <p>Two reviewers will review each case. Both reviewers must agree to place a case in a particular “bucket.” If they disagree, another reviewer will look at the case and attempt to reconcile the disagreement.</p>	Holly Paz, Cindy Thomas	IRS0000596252
May10, 2012	Cindy Thomas explains to Holly Paz how the BOLO list is updated. Thomas states that Group 7822 is responsible for updating the BOLO and sending BOLO alerts to Determinations specialists and managers when changes are made. For the Watch List, Potential Abusive and Coordinated Processing tabs, managers send their suggested revisions to the Group 7822 manager for consideration. For Emerging Issues, the suggested revisions are sent to the Emerging Issues Coordinator in Group 7822. The Group 7822 manager then consults with the area manager or with the Program Manager. Thomas states that the BOLO spreadsheet was introduced in June/July 2010. The name “BOLO” was adopted in August 2010.	Cindy Thomas, Holly Paz	IRS0000004755-62

Date	Occurrence	Key Personnel Involved	Authority
May 13, 2012	Ronald Bell emails Carter C. Hull advising him that he has an application from a group that he believes may be an ACORN successor group. Bell tells Hull that “[t]he BOLO list states to contact you” and asks Hull to “[p]lease advise how you want to process this case.”	Ronald Bell, Carter C. Hull	IRS0000054963
May 14-15, 2012	The Advocacy Team receives training on political advocacy cases from the Washington D.C. team. Sharon Light is named Coordinator of the Advocacy Team.	Sharon Light	IRS0000599626-28
May 15, 2012	Lois Lerner asks how the BOLO list is used. Cindy Thomas explains that the BOLO is used by all EO Determinations specialists and managers. Screeners use it to determine if a case needs to go to a particular Group. Others use it when they receive information from the applicant that would suggest that the case needs to go to another Group. Lerner is provided a copy of the BOLO that contains the entry for political advocacy cases. That entry reads: “Current Political Issues – Political action type organizations involved in limiting/expanding government, educating on the constitution and bill of rights, Social economic reform/movement.”	Cindy Thomas, Lois Lerner, Holly Paz	IRS0000013776-82
May 16, 2012	Members of the training team from Washington D.C. and members of the Advocacy Team begin “bucketing” the political advocacy cases pending in EO Determinations.	Holly Paz	IRS0000599626-28
May 16, 2012	Holly Paz asks Lois Lerner and others for feedback on language for the BOLO that would “replace the current advocacy org language on the BOLO as well as the separate references to ACORN successors and Occupy groups. The language proposed by Paz reads as follows: “501(c)(4), 501(c)(5), and 501(c)(6) organizations with indicators of significant amounts of political campaign intervention or close connection to a political party or candidate(s). Note: typical advocacy type issues (e.g., lobbying) that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria.”	Holly Paz	IRS0000013697

Date	Occurrence	Key Personnel Involved	Authority
May 17, 2012	Holly Paz issues a Memorandum regarding the BOLO spreadsheet. In the Memorandum, she states that Abusive Transactions and Fraud Issues, Emerging Issues, Coordinated Processing cases and a Watch List will be tracked on the BOLO and occupy separate tabs. The Emerging Issues Coordinator will maintain the spreadsheet, receive updates and enter them on the BOLO. Any updates or changes must be approved by the Group Manager of the Emerging Issues Coordinator, the Determinations Program Manager and the Director, Rulings and Agreements.	Holly Paz	IRS0000437639-41
May 17, 2012	IRS employees identify a case as an “occupy BOLO case.”	Roger Vance, Karl Beckerich, Gary Muthert	IRS0000014349
May 21, 2012	Margo Stevens of the IRS Chief Counsel’s Office informs Lois Lerner that since the IRS did not rely on or use the donor information submitted by some applicants in response to a request for same by the IRS, that the donor lists were not records within the meaning of the Federal Records Act and could be destroyed by the IRS or returned to the applicant.	Lois Lerner, Margo Stevens	IRS0000182318-19
May 24, 2012	A telephone call script is developed to inform some organizations that had not responded to the additional information requests that it was not necessary to send the requested information and that their applications had been approved. Also, an additional paragraph is developed for the favorable determination letters sent to these organizations.	Cindy Thomas	IRS0000005204-08
May 24, 2012	IRS Determinations staff identifies an Occupy group application based on its entry on the “Watch For” tab of the BOLO list. Tyler Chumney tells Peggy Combs that Steven Bowling told him there is one other Occupy case. Chumney explains to Combs that Occupy cases are not “considered to be Current Political Issues” because they do not advocate for expanding/limiting the government, so they have a separate entry on the BOLO under the “Watch For” tab.	Tyler Chumney, Peggy Combs	IRS0000013231 – 33

Date	Occurrence	Key Personnel Involved	Authority
May 25, 2012	Joe Urban forwards to Lois Lerner and others an article in <i>Tax Analysts</i> on Democracy 21 and Campaign Legal Center's request that the IRS deny Crossroads GPS application for exemption. Lerner requests a status from Cindy Thomas on Crossroads GPS' application and Thomas refers Lerner to Sharon Light, since Light is overseeing the Advocacy Team and tracking the cases. Light tells Lerner that the case has been reviewed by two reviewers and that one has recommended general development while the other has recommended limited development. Lerner responds by telling Light "full development may be the best course . . ." Lerner further states to Light that "I will leave it in your capable hands. Having said that -- as they say they have been filing 990s, you should be looking at those as well."	Lois Lerner, Sharon Light	IRS0000199184-86
May 30, 2012	TIGTA briefs Steve Miller on the scope of the review that it will conduct on the way EO processes political advocacy cases. TIGTA tells Miller that criteria targeting "Tea Party," "9/12" and "Patriots" were used in reviewing applications for tax exempt status.	Steve Miller	SFC Interview of Steve Miller, (Dec. 12, 2013) p. 151
June 1, 2012	Holly Paz sends Lois Lerner a draft letter to be sent to applicant organizations that were asked for, and provided donor information. The letter advises that the donor information will be destroyed.	Holly Paz, Lois Lerner	IRS0000182990-91
June 1, 2012	Holly Paz sends Cindy Thomas new "wording that should be used for the Emerging Issue description for advocacy cases." Paz tells Thomas that "[w]e'll remove the references to Acorn and Occupy from the 'Watch List' – the issues we are concerned about in those cases should be captured by the language below." The new language is: "501(c)(3), 501(c)(4), 501(c)(5), and 501(c)(6) organizations with indicators of significant amounts of political campaign intervention (raising questions as to exempt purpose and/or excess private benefit). Note: advocacy type issues (e.g., lobbying) that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria."	Holly Paz, Cindy Thomas	IRS0000013434-35

Date	Occurrence	Key Personnel Involved	Authority
June 1, 2012	<p>Mark Tornwall, an acquaintance of Lois Lerner, sends Lerner an email in which he states that Australia is politically “a lot more progressive than here in ‘Tea Party’ Land.” He then asks Lerner: “[s]o speaking of regressive politics – does ‘Citizens United’ scare you as much as it scares me?” Lerner responds as follows: “Citizens United is by far the worst thing that has ever happened to this country. More on that later.” Tornwall agrees with Lerner’s depiction of the <i>Citizens United</i> decision and notes that his “take on this is that the right wing and five of the Supreme Court Justices have concluded that the wealthy among us are entitled to decide what happens here.” Lerner then summarizes to Tornwall her views on the <i>Citizens United</i> decision in the following manner:</p> <p><i>“We are witnessing the end of ‘America.’ There has always been the struggle between the capitalistic ideals and the humanistic ideals. Religion has usually tempered the selfishness of capitalism, but the rabid, hellfire piece of religion has hijacked the game and in the end, we will all lose out. it’s (sic) all tied together – money can buy the Congress and the Presidency, so in turn, money packs the SCt. and the court backs the money – the “old boys” still win.”</i></p>	Lois Lerner, Mark Tornwall	IRS0000800024-26
June 6, 2012	Steve Grodnitzky prepares a list of advocacy cases pending in EO Technical. There are 12 cases on the list. None are completed and a number have been pending in EO Technical for months with little or no activity.	Steve Grodnitzky	IRS0000011212-14

Date	Occurrence	Key Personnel Involved	Authority
June 7, 2012	<p>The bucketing exercise is concluded. Holly Paz reports the results as follows:</p> <p>83 501(c)(3) organizations bucketed:</p> <ul style="list-style-type: none"> 16 approvals 16 limited development 23 general development 28 likely denials <p>199 501(c)(4) organizations bucketed</p> <ul style="list-style-type: none"> 65 approvals 48 limited development 56 general development 30 likely denials <p>Paz informs that applicants who submitted donor information will be advised by letter that the request was an error and that the donor information will be destroyed. Going forward, Mitch Steele and Joseph Herr will bucket all new cases and send their bucketing worksheets to Sharon Light who will reconcile any differences of opinion between Steele and Herr. Ron Bell will track advocacy cases going forward. Bucketed cases are assigned to EO Determinations agents to work.</p>	Holly Paz	IRS0000578664-66
June 14, 2012	<p>Ruth Madrigal, Attorney Advisor, Office of Tax Policy, Treasury Department, transmits to Lois Lerner, Victoria Judson, Janine Cook, and Nancy Marks a news story about the 4th Circuit upholding the “major purpose” test for political committees. She indicates that she has her “radar up” on 501(c)(4)s and that “we mentioned potentially addressing them (off-plan) in 2013.”</p>	Ruth Madrigal, Victoria Judson, Janine Cook, Nancy Marks	IRS0000015400-01
June 15, 2012	<p>The BOLO is revised. Under the Emerging Issues Tab, the issue name is now “Current Political Issues.” The Issue Description reads as follows:</p> <p>“501(c)(3), 501(c)(4), 501(c)(5), and 501(c)(6) organizations with indicators of significant amounts of political campaign intervention (raising questions as to exempt purpose and/or excess private benefit). Note: advocacy action type issues (e.g., lobbying) that are currently listed on the Case Assignment Guide (CAG) do not meet this criteria.” Under the Disposition column, the BOLO instructs to “[f]orward case to Group 7822.”</p>		<p>IRS0000195830</p> <p>BOLO furnished by TIGTA</p>

Date	Occurrence	Key Personnel Involved	Authority
June 18, 2012	Lois Lerner asks Nancy Marks to react to an idea. Lerner is concerned about 501(c)(4) organizations for which the IRS has received referrals, but which have not applied for exemption and have not yet filed a 990 return. Lerner suggests that for organizations that have received an EIN over a year and a half ago, that the IRS perform an audit (compliance check) on the organization. During the audit, Lerner suggests that the IRS ask the organization why it hasn't filed a return. Marks thinks the idea has merit, but suggests that the Chief Counsel P&A react to it.	Lois Lerner, Nancy Marks	IRS0000475783-84
June 19, 2012	Nikole Flax asks Lois Lerner to give her an update on all of the letters that the IRS has sent out on 501(c)(4) political activities. Andy Megosh prepares a list showing that 17 letters have been released (14 Congressional); 8 Congressional letters remain open; and 13 non-Congressional letters remain open.	Nikole Flax, Lois Lerner, Andy Megosh	IRS0000178125-31
June 20, 2012	Mike Seto sends an email to EO Technical Managers informing them that before their staffs issue any favorable or denial rulings on any cases with advocacy issues, the reviewers must first notify their managers and Seto and get approval. Seto indicates that he may also require a short briefing on the facts of the particular case.	Mike Seto	IRS0000182786
June 22, 2012	TIGTA informs Joseph Grant and Lois Lerner by way of Engagement Letter that it is initiating a review of the manner in which the IRS has reviewed applications for tax-exempt status involving political advocacy issues. Steve Miller is made aware of the letter.	Joseph Grant, Lois Lerner, Steve Miller	IRS0000284200-04 IRS0000219503-06
June 25, 2012	Lois Lerner is apprised by Richard Daly that TIGTA will conduct a review of the manner in which IRS deals with applications from 501(c)(4) organizations. Daly provides Lerner with a copy of the engagement letter. Lerner states in response: "[i]t is what it is. Although the original story isn't as pretty as we'd like, once we learned this were [sic] off track, we have done what we can to change the process, better educate our staff and move the cases. So, we will get dinged, but we took steps before the "dinging" to make things better and we have written procedures. So, it is what it is."	Lois Lerner, Sarah Hall Ingram, Joseph Urban, Nancy Marks	IRS0000475251-52

Date	Occurrence	Key Personnel Involved	Authority
June 27, 2012	Holly Paz issues directions to staff involved in the bucketing exercise. She informs staff to expunge donor information from files and to send affected applicants letters to that effect. If there is an outstanding development letter and a new one is being sent, she directs that staff advise the applicant to disregard the prior letter. She also tells staff that “there is no need to engage in extensive development” of political activity. If such activity is present, then the key question is “does the applicant have sufficient social welfare activity to meet the primary test.”	Holly Paz, Cindy Thomas	IRS0000005234-38
June 28, 2012	Cindy Thomas reports to Holly Paz that 41 cases have been approved and that 31 development letters have been sent to bucket 2 applicants.	Cindy Thomas, Holly Paz	IRS0000005239
June 2012	With the bucketing exercise completed, development letters once again are sent to applicant organizations.	Joseph Herr	SFC Interview of Joseph Herr, (June 18, 2013) not transcribed
July 9, 2012	Lois Lerner forwards to Nikole Flax and Nanette Downing a memo from Judith Kindell and others reflecting the results of a review of the write-ups produced by the ROO Referral Committee when considering allegations of improper political activity. Lerner indicates her concern that the ROO may not appreciate the sensitivity required by these cases nor know when to use resource people from Rulings and Agreements. Lerner states that “Steve is very sensitive to DC involvement with Exam decisions.” The memo generally finds that the write-ups don’t objectively describe the allegation and that the recommendations don’t always rely on tax policy.	Lois Lerner, Judith Kindell	IRS0000179069-71
July 17, 2012	A <i>ProPublica</i> reporter asks to interview Lois Lerner on matters related to 501(c)(4) organizations. Michele Eldridge, IRS Media Relations Chief, advises Steve Miller, Nikole Flax, and Lois Lerner that the reporter has gathered both IRS records and FEC documents on more than 70 groups including many high-profile social welfare groups. Lerner’s response is: “I think she has an interesting angle and it might be a good thing to explain why an organization might be reporting “political” activity to FEC, but not to IRS.”	Steve Miller, Nikole Flax, Lois Lerner	IRS0000180842-44

Date	Occurrence	Key Personnel Involved	Authority
July 18, 2012	Judith Kindell reports to Lois Lerner on the “bucketed” cases. She tells Lerner that “[o]f the 84 (c)(3) cases, slightly over half appear to be conservative leaning groups based solely on the name. The remainder do not obviously lean to either side of the political spectrum. Of the 199 (c)(4) cases, approximately ¾ appear to be conservative leaning while fewer than 10 appear to be liberal/progressive leaning groups based solely on name. The remainder do not obviously lean to either side of the political spectrum.”	Lois Lerner, Judith Kindell	IRS0000585328
July 24, 2012	Lois Lerner advises Holly Paz, David Fish and others that “NO responses related to c4 stuff go out without an affirmative message, in writing from Nikole.”	Lois Lerner, Holly Paz, David Fish	IRS0000179669
August 7, 2012	Joseph Urban sends Steve Miller copies of various monthly SCRs prepared by Carter C. Hull in 2010 and 2011, along with Hull’s October 18, 2010 memorandum on his activities in processing Tea Party cases.	Steve Miller	IRS0000165070-80
August 9, 2012	David Monroe emails to Victoria Judson, Janine Cook and others an excel chart that contains information about exempt organizations regulatory issues being considered by the Treasury Department Office of Tax Policy and the IRS. The spreadsheet contains fourteen items published in the Priority Guidance Plan and six items on the “Local List (i.e., work off plan). The “off-plan” list includes considering “[w]hether ‘operated exclusively’ has the same meaning under section 501(c)(3) and (c)(4)” along with five other exempt organization issues.	David Monroe	IRS0000458989-92
September 12, 2012	Donna Abner asks Mike Seto and Holly Paz if Cincinnati “can go ahead and complete our review of the proposed denial letters and issue them to the [taxpayers.]” Paz responds that “[a]ny denials will need to be briefed to Lois before being issued, and she will need to give folks up the chain a heads up. This is because these will be the first denials on cases in the advocacy bucket and will be looked at VERY carefully by the public so we have to tread carefully.”	Holly Paz, Mike Seto, Donna Abner	IRS0000441138-40

Date	Occurrence	Key Personnel Involved	Authority
September 26, 2012	TIGTA provides a TE/GE quarterly briefing to Joseph Grant on its activities. TIGTA describes a review that it is conducting as addressing “Consistency in Identifying and Reviewing Applications for Tax-Exempt Status Involving Potential Political Advocacy Issues.” Among other things, TIGTA is looking to determine if TE/GE management sanctioned “the use of criteria targeting applications for tax exemption that mention: the “Tea Party,” “Patriots,” or the “9/12 Project.”	Joseph Grant	IRS0000468928-30 SFC Interview of Steve Miller, (Dec. 12, 2013) pp. 208-210
October 2012	Steve Miller is disappointed with Lois Lerner’s overall performance for FY 2012. Miller believes that she has “under-managed.” He does not approve Lerner for a retention bonus.	Steve Miller	SFC Interview of Steve Miller, (Dec. 12, 2012) p. 184
October 19, 2012	Steve Miller suggests to Nikole Flax that they meet with Cathy Barre to discuss an article in <i>Politico</i> about an organization (Americans for Prosperity). The article states that the organization has spent “\$72 million on ads bashing Democrats so far this year.” The article describes the organizations as a “Koch brothers-backed nonprofit” that did not disclose to the IRS when it was seeking exempt status in 2004 its intention to spend funds on political campaign intervention. The article is critical of the IRS for failing to audit Americans for Prosperity.	Steve Miller, Nikole Flax	IRS0000345931-37
October 30, 2012	Cindy Thomas emails Holly Paz regarding the bucketing exercise, and specifically, the bucket 4 cases (likely denials). She indicates that the specialists don’t know what to do with the responses received from the organizations, whether someone in Washington is supposed to be looking at the responses, and that at the pace the cases are being worked, the specialists believe that “they’ll be working the bucket 4 cases until they retire.”	Cindy Thomas, Holly Paz	IRS0000005378
October 31, 2012	Lois Lerner asks Nanette Downing “why of the 88 referrals reviewed by the PARC they only recommended 33 for exam?” Lerner also asks “[d]o we plan to do a post review of the PARC decisions?” Downing can’t answer Lerner’s first question, but tells Lerner that “a post review will be done.” Lerner states that “I looked at the names of the orgs selected and only one is one that had been in the news. I would like to see the list of the ones not selected. Don’t plan to talk about this with Steve. He needs to be outside case selection. He’s Commissioner now.”	Lois Lerner, Nanette Downing	IRS0000184801

Date	Occurrence	Key Personnel Involved	Authority
November 2, 2012	<p>Lois Lerner answers questions posed to her by TIGTA regarding her knowledge of the use of the BOLO criteria. Lerner says that (1) executive management did not review or approve the use of the BOLO criteria at the time of its adoption in early 2010; (2) Paz learned of the criteria that was being used to flag Tea Party cases when she asked Cindy Thomas about the criteria in June 2011; (3) “the BOLO description and the . . . list of criteria used by EO Determinations to determine which cases fell under the BOLO description were their shorthand way of referring to the group of advocacy cases rather than targeting any particular group;” (4) Lerner first became aware that the BOLO referenced the Tea Party and that EO Determinations was using the criteria when she was briefed on the cases on June 29, 2011.</p>	Lois Lerner, Holly Paz	IRS0000005950-53
November 9, 2012	<p>While in England, Lerner writes an email to her husband, Michael Miles, in which she states as follows:</p> <p>“Overheard some ladies talking about American (sic) today. According to them, we’ve bankrupted ourselves and at (sic) through. We’ll never be able to pay off our debt and are going down the tubes. They don’t seem to see that they can’t afford to keep up their welfare state either. Strange.”</p> <p>Her husband replies:</p> <p>“Well, you should hear the whacko wing of the GOP. The US is through; too many foreigners sucking at the teat; time to hunker down, buy ammo and food, and prepare for the end. The right wing radio shows are scary to listen to.”</p> <p>Lerner responds to this email as follows:</p> <p>“Great. Maybe we are through if there are that many assholes.”</p> <p>Her husband states in reply:</p> <p>“And I’m talking about the hosts of the shows. The callers are rabid.”</p> <p>Lerner concludes this exchange with the following observation:</p> <p>“So we don’t need to worry about alien teRrorists (sic). It’s our own crazies that will take us down.”</p>	Lois Lerner, Michael Miles	IRS0000890492-95

Date	Occurrence	Key Personnel Involved	Authority
December 6, 2012	Christopher Giosa sends Lois Lerner a paper entitled <i>Trends in Donations to, and the Political Activities of Certain Nonprofit Corporations</i> . The hypothesis of the paper is that the holding in <i>Citizens United</i> “has led to increased donations to, and political activities of nonprofit corporations under 501(c)(4), (c)(5) and (c)(6).” The paper identifies various sources of data that could be examined and questions that would need to be answered in order to test the hypothesis.	Lois Lerner	IRS0000185323-27
December 14, 2012	Democracy 21 and Campaign Legal Center contact Lois Lerner about setting up a meeting to discuss the ‘Petition for Rulemaking’ that these organizations had submitted to the IRS on July 27, 2011. Lerner agrees to meet and invites representatives of the IRS Chief Counsel and the Treasury Department. The meeting is scheduled for January 4, 2013.	Lois Lerner	IRS0000122502-05
December 14, 2012	Hilary Goehausen prepares an SCR on the five political advocacy cases now assigned to her. Two cases have been closed for FTE. Two are open pending review by Judith Kindell and/or Sharon Light including Albuquerque Tea Party, which is a proposed denial. Goehausen notes that “EOT is working approximately 9 other advocacy application cases in the office.”	Hilary Goehausen	IRS0000011237-40
December 14, 2012	In response to a FOIA request filed by a <i>ProPublica</i> reporter, the IRS improperly discloses tax return information (Form 1024 and accompanying documents) from a conservative group Crossroads GPS that is seeking exempt status. Lois Lerner notes that “[e]veryone understands that mistakes happen, but because this is a disclosure, we will be referring to TIGTA.” Lerner makes Nikole Flax aware of the disclosure.	Lois Lerner	IRS0000189992-93

Date	Occurrence	Key Personnel Involved	Authority
December 18, 2012	Lois Lerner brings to Nanette Downing's attention some issues with a letter sent to organizations that have not responded to a Group Ruling Questionnaire. Lerner is critical of Downing's staff and says "[b]ut they don't think like that—they just do whatever they've always done." Lerner points out that the letter is appropriate for a compliance check, but not for reminding organizations to return a questionnaire. She goes on to tell Downing of her staff that "these folks have very little ability to apply any judgment." She also tells Downing that "I'm not really sure where Exam management is on the projects. They aren't reporting to you about the progress—who are they reporting to? . . . More and more I'm feeling like it's me, and that doesn't work." She tells Downing to "plan on coming up here after the New Year. We need to figure out how to get a handle on this so we don't get ourselves in trouble."	Lois Lerner, Nanette Downing	IRS0000185603-613
January 2, 2013	<i>ProPublica</i> requests comments from the IRS on an article that it will publish about the efforts of Democracy 21 and Campaign Legal Center to have the IRS investigate Crossroads GPS. The article is entitled "Watchdog Groups Again Call on IRS to Deny Tax-Exempt Status to Karl Rove's Crossroads GPS." Lois Lerner advises Nikole Flax and others that she has referred the letter from Democracy 21 and Campaign Legal Center to EO Exams. She also states that "Ruth Madrigal, Vickie Judson and I are meeting with Democracy 21 and some others on Friday regarding their request for guidance on c4. This has been set up for some time. . . . We will be very cautious."	Lois Lerner, Nikole Flax	IRS0000122515-18

Date	Occurrence	Key Personnel Involved	Authority
January 4, 2013	<p>Lois Lerner, Victoria Judson and Ruth Madrigal meet at 11:00 AM with representatives of Democracy 21 and Campaign Legal Center to discuss changes in the 501(c)(4) policy relative to political advocacy. These groups had sent in several referrals in the prior two years specifically alleging that Crossroads GPS and other organizations were engaged in campaign intervention to a degree inconsistent with exempt status under 501(c)(4).</p> <p>After the meeting, Lerner tells Nanette Downing that the ROO referral committee had twice non-selected Crossroads GPS for audit. Lerner says “I don’t know where we go with this – as I’ve told you before—I don’t think your guys get it and the way they look at these cases is going to bite us some day.” Lerner tells Downing that while the organization has currently been referred to the ROO, that “this is an org that was a prime candidate for exam when the referrals and 990s first came in.” Lerner also states that “I’m not confident they will be able to handle the exam without constant hand holding – the issues here are going to be whether the expenditures they call general advocacy are political intervention.” Lerner closes by instructing Downing to keep her “apprised of the org’s status in the ROO and the outcome of the referral committee. You should know that we are working on a denial of the application, which may solve the problem because we probably will say it isn’t exempt. Please make sure all moves regarding the org are coordinated up here before we do anything.”</p>	Lois Lerner, Victoria Judson, Ruth Madrigal, Nanette Downing	IRS0000122519-20 IRS0000446771-75
January 4, 2013	Lois Lerner tells Nancy Marks that “I have said from day one that Exam is not capable of dealing with the political stuff . . .” Lerner tells Marks “[w]e always feel safer because Exam decisions are made by ‘career IRS agents.’ I think they make poor decisions . . . they don’t have a clue and just non-select the referral.”	Lois Lerner, Nancy Marks	IRS0000122525-26
January 4, 2013	Lois Lerner schedules a meeting for 3:30 PM on January 4, 2013. Holly Paz notes to Nancy Marks that the call is to discuss the Crossroads GPS application. Paz tells Marks that “I suspect this will be the first of many discussions . . .” EO Determinations agent Joseph Herr, who has been working on the Crossroads GPS application for exemption since January 30, 2012, is invited to the meeting. Herr notes in the case log for the Crossroads GPS case that he participates in a conference call with EO Technical on January 4, 2013, “[o]n how best to proceed with case.”	Lois Lerner, Holly Paz, Nancy Marks, Joseph Herr	IRS0000071224-26 IRS0000475846

Date	Occurrence	Key Personnel Involved	Authority
January 7, 2013	Joseph Herr writes in the case log for Crossroads GPS as follows: “Based on conference begin reviewing case information, tax law, and draft/template advocacy denial letter, all to think about how best to compose the denial letter.”	Joseph Herr	IRS0000071224-26
January 7, 2013	Lois Lerner tells Nanette Downing that the reasons given by the Political Activity Review Committee (PARC) on two prior instances when the PARC did not select Crossroads GPS for exam are “most disturbing.” Lerner tells Downing “[a]s I said, we are working on the denial for the 1024, so I need to think about whether to open an exam. I think yes, but let me cogitate a bit on it.”	Lois Lerner, Nanette Downing	IRS0000122549-51
January 24, 2013	An article appears in the <i>EO Tax Journal</i> about how an Obama-endorsed entity called Organizing for Action will operate as a 501(c)(4). Lois Lerner asks, “Has this org actually come in? If so, do we have it in DC? We need to be careful to make sure we are comfortable.” Holly Paz replies, “I am not aware that we have received this but will check.” Sharon Light tells Lois Lerner that the organization intends to operate from both Chicago and Washington DC. In response, Lois Lerner states “[o]h—maybe I can get the DC office job!”	Lois Lerner, Sharon Light	IRS0000217252- 67
January 28, 2013	Jorge Castro prepares for Nikole Flax a summary chart showing 35 Congressional inquiries regarding tax exempt issues received by the IRS from October 2008 through June 2012. Castro notes that the chart does not contain letters from outside groups like CREW and Democracy 21.	Nikole Flax	IRS0000292300-09
January 28, 2013	Richard Klein, IRS Benefits Specialist, prepares at Lois Lerner’s request, a retirement estimate based on a projected retirement date of October 1, 2013.	Lois Lerner	IRS0000202615 (attachment omitted by Committee staff) IRS0000202620-21
January 30, 2013 to February 8, 2013	Lois Lerner is advised that a Congressman has inquired about the application status for a tax exempt organization. Holly Paz informs Lerner that the IRS correctly denied the organization’s request for expedited processing of its application. Cindy Thomas has the case assigned and informs Lerner that the application will be approved on merit. Lerner states that “almost every time I ask them to go back and look at a case that has been sitting—it miraculously gets closed on merit—after it has been sitting for months and months awaiting full development.”	Lois Lerner, Holly Paz, Cindy Thomas	IRS0000194742-45

Date	Occurrence	Key Personnel Involved	Authority
January 31, 2013	Lois Lerner emails Christopher Wagner, Chief of Appeals, telling him that she informed his staff that in the near future, his office will “get a lot of business from our TPs regarding denials on 501(c)(4) applications. I explained the issue is whether they are primarily involved in social welfare activities and whether their political intervention activities, along with other non-social welfare activities mean they don’t meet the c4 requirements. I explained the issue was very sensitive and visible and there is a lot of interest—Congress, press, political groups, you name it . . . this is a new issue driven by a recent Supreme Court case expanding spending in elections to corporations, and a desire by some to make the expenditures without having their names show up on Federal Election Reports. . . I told them that this is a place where we have worked very hard to be consistent and have all our cases worked by one group, and suggested they may want to do something similar. . . If I were you, this is definitely something I’d want to be aware of and have a high level person overseeing and reporting regularly to me. . . Hope this doesn’t should [sic] like I’m trying to run your shop.”	Lois Lerner, Christopher Wagner	IRS0000122863-64
March 8, 2013	Holly Paz informs Lois Lerner that the first denial of a 501(c)(4) organization is ready to be transmitted to Chief Counsel for review. Paz is concerned about the length of time it takes Counsel to complete a review and suggests to Lerner that they ask Chief Counsel to only review the letter and not the accompanying file.	Lois Lerner, Holly Paz	IRS0000202795-807
March 13, 2013	Sharon Light, in response to a question from Donna Abner, clarifies that political advocacy cases that are bucketed involve political campaign intervention and not lobbying. Abner sends this clarification out to her employees in QA.	Sharon Light, Donna Abner	IRS0000012122-26
March 13, 2013	Connie Peek, an IRS Program Analyst, informs Lois Lerner, Joseph Grant and David Fish (among others) that the IRS has disclosed the list of donors (Schedule B) for the Republican Governors Public Policy Committee. Lerner responds “[w]hile this happens sometimes- this is not the best org. it could have happened with – sigh.” Lerner advises Nikole Flax that she will notify TIGTA.	Lois Lerner, Nikole Flax	IRS0000320844-46
March 14, 2013	Janine Cook advises Lois Lerner that Chief Counsel concurs in the first 501(c)(4) denial, but has comments on the letter. Cook indicates that the comments will be complete by the following Monday or Tuesday.	Lois Lerner, Janine Cook	IRS0000202865

Date	Occurrence	Key Personnel Involved	Authority
March 14-15, 2013	An IRS employee asks for an update on guidance from EO Technical regarding an ACORN-related application that the Determinations group determined did not meet the requirements for tax-exempt status. The employee notes that EO Technical told EO Determinations in August 2012 that the case would be “back in a couple weeks.”	April Garrett, Peggy Combs	IRS0000544897-98
March 15, 2013	Inspector General J. Russell George briefs Treasury Secretary Jacob Lew about TIGTA’s audit.	Russell George, Jacob Lew	Summary of TIGTA briefings produced by TIGTA to the Committee on May 19, 2014
March 18, 2013	Troy Patterson provides Lois Lerner with an advance copy of the TIGTA report “regarding applications” so that Lerner “can have a little extra time to consider the issues in the report . . .”	Troy Patterson, Lois Lerner	IRS0000053201
March 21, 2013	Lois Lerner advises Troy Patterson that “Holly and I have gone over the report and will try and incorporate our concerns into one document and get it to you by Monday. . .”	Lois Lerner, Holly Paz, Troy Patterson	IRS0000053201
March 26, 2013	Jon Waddell elevates an ACORN-related issue to Cindy Thomas. He explains the background on these cases: “1. Acorn-related cases were previously reflected on the BOLO and subsequently folded into the political advocacy category over a year ago. “2. Currently, we have two proposed denials under review in D.C. involving Acorn-related cases... “3. These cases contain some of the same characteristics as other identified political advocacy cases as the applications contain instances of partisan political activity and excessive legislative and mobilization activities precluding approval under c(3).”	Jon Waddell, Cindy Thomas	IRS0000054976-78
March 28, 2013	TIGTA provides IRS Legislative Affairs with a “discussion draft report-Inappropriate Criteria Were Used to Identify Tax-Exempt Applications for Review. . .”	Joel Rustein	IRS0000509688 (email attachment omitted)
March 29, 2013	David Fish provides Nancy Marks, Richard Daly, Lois Lerner and others with a list of proposals for guidance projects. Among them is “[a]mend 501(c)(4) regulations to incorporate substantial part limitation (this is far and away the most important).”	Lois Lerner, David Fish, Nancy Marks	IRS0000188368-81

Date	Occurrence	Key Personnel Involved	Authority
April 2, 2013	In response to inquiries about two ACORN-related cases from Cindy Thomas, Holly Paz informs her that the cases are “still going back and forth between the initiator and reviewer.”	Holly Paz, Cindy Thomas	IRS0000054976-78
April 9, 2013	<p>Lois Lerner sends Maria Hook (IRS IT) an email message in which she states as follows: “I had a question today about OCS (Microsoft Office Communications Server – Instant Messaging). I was cautioning folks about email and how we have had several occasions where Congress has asked for emails and there has been an electronic search for responsive emails – so we need to be cautious about what we say in emails. Someone asked if OCS conversations were also searchable – I don’t know, but told them I would get back to them. Do you know?”</p> <p>Hook responds by advising Lerner that while OCS messages are not set to automatically save, one or both parties to the OCS conversation could copy and save the contents to an email or file that then could be identified through an electronic search.</p>	Lois Lerner, Maria Hook	IRS0000659345-46
April 12, 2013	Justin Abold sends Lois Lerner and others a copy of a draft report entitled <i>Baseline Analysis of 501(c)(4) Form 990 Filers with Schedule C Political Campaign and Lobbying Activities</i> . The question that the report seeks to answer is whether the <u><i>Citizens United</i></u> decision has contributed to the potential misuse of 501(c)(4) organizations for political campaign activity due to their tax exempt status and the anonymity of their donors. Among other things, the report finds that after the decision, there has been an increase in the number of 501(c)(4) organizations engaged in political campaign activity and that there has been an increase in the relative financial size of 501(c)(4) organizations engaged in campaign activity.	Lois Lerner	IRS0000195666-90
April 12, 2013	TIGTA provides IRS with a copy of its draft report entitled “Inappropriate Criteria Were Used to Identify Tax-Exempt Applications for Review.”	Richard Daly	IRS0000509688 (email attachment omitted)
April 17, 2013	Lois Lerner tells Nikole Flax that she must deliver a speech at Georgetown University and asks what she could speak about. Flax asks Steve Miller and he says of her speech “may want to use it to burst a bubble.” He then tells Flax that Lerner “can apologize for undermanaging.”	Steve, Miller, Lois Lerner, Nikole Flax,	IRS0000468870-71

Date	Occurrence	Key Personnel Involved	Authority
April 19, 2013	Lois Lerner advises Holly Paz to tell Cindy Thomas to watch for an application for exemption recently filed by “Applicant Y” and that when it comes in to EO Determinations, to send the application it to Washington, so that it can be worked under the supervision of Meghan Biss and Judy Kindell. Paz asks Lerner if she should add the group by name to the BOLO list or to describe it more generally in the BOLO list like “[o]rganizations providing relief to victims of recent acts of mass violence.”	Lois Lerner, Holly Paz	IRS0000012957-60
April 19, 2013	Sharon Light advises Lois Lerner, Holly Paz and others that Chief Counsel has concluded its review of the first denial for a 501(c)(4) organization. Light has incorporated Chief Counsel’s comments.	Lois Lerner, Sharon Light, Holly Paz	IRS0000195712-21
April 25, 2013	Lois Lerner tells Mike Seto to “get the [“Applicant Y”] application thru screening right away and up to R and A. . . . Would like it today, if possible.”	Lois Lerner, Mike Seto	IRS0000189156
May 2013	Steve Miller decides to get in front of the impending release of the TIGTA report on the use of inappropriate criteria. He decides to have Lois Lerner make an apology at the ABA conference on May 10, 2013, in response to a planted question from someone in the audience. Miller discusses the idea with Mark Patterson, Chief of Staff to the Treasury Secretary, and with Mark Mazur, Assistant Secretary for Tax Policy, Treasury. Patterson tells Miller that he wants to think about it. Mazur doesn’t get back to Miller. Miller decides to proceed with the idea.	Steve Miller, Mark Patterson, Mark Mazur	SFC Interview of Steve Miller, (Dec. 12, 2013) p. 220 SFC Interview of Mark Patterson, (Apr. 7, 2013) p. 36
May 1, 2013	The IRS sends “Applicant Y” a development letter.		IRS0000013040-49
May 3, 2013	“Applicant Y” responds to the development letter.		IRS0000013040-49
May 3, 2013	Lerner informs Nikole Flax and Joseph Grant that she just concluded a conversation with an applicant (presumably “Applicant Y”). Lerner tells Flax and Grant that “I told her our goal was to assist them in understanding what troubles us about the application, suggest ways they might modify it and discuss other situations reported in the media so we could all be on the same page regarding what occurred. I’m not feeling particularly confident about this one. They seem to think that because Congress passed a special bill after 9/11, IRS has authority to incorporate the same rules here. She sounded like she wasn’t taking no for an answer.”	Lois Lerner, Nikole Flax, Joseph Grant	IRS0000662208

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May 4, 2013	Steve Miller informs Mark Patterson that he will speak to the Mayor’s Chief of Staff about “Applicant Y” after a phone call with Chief Counsel and EO. Patterson suggests emailing the Mayor’s Chief of Staff to let him know that the IRS is working the matter over the weekend.	Steve Miller, Mark Patterson	IRSC032185
May 4, 2013	The Form 1023 application for “Applicant Y” is sent to Meghan Biss. She summarizes it for Lois Lerner and points out issues with it. Lerner sends the summary of the application for exemption under 501(c)(3) to Steve Miller.	Lois Lerner, Steve Miller	IRS0000322699-700
May 6, 2013	Lois Lerner sends Nancy Marks a one-page summary of “Applicant Y’s” application and plan of operation, together with an analysis of the problems in the organization’s plan of operations that would preclude the IRS from granting the organization 501(c)(3) status.	Lois Lerner, Nancy Marks	IRS0000013050-51
May 6, 2013	Justin Abold sends Steve Miller a copy of a report entitled Updated Baseline Analysis of 501(c)(4) Form 990 Filers with Political Campaign Activities in preparation for a meeting scheduled for the following day to discuss the conclusions reached in the report. The Report examines whether “501(c)(4) organizations have become increasingly involved in <i>Political Campaign Activities</i> (PCA) since 2010.” The Report reaches three main conclusions: 1) The number of 501(c)(4) filers reporting PCA almost doubled from TY2008-TY2010; 2) the amount of PCA for large filers almost tripled from TY2008-TY2010; and that there is a limited number of 501(c)(4) filers that engaged in PCA and filed a Form 990 for only one year. The report notes two events that occurred in 2010: the <i>Citizens United</i> Supreme Court decision in January, and the ACA Reconciliation Act (from October 2009 to June 2010).	Steve Miller, Justin Abold	IRS0000494805-29
May 6, 2013	Holly Paz advises Lois Lerner that the first proposed denial of a 501(c)(4) organization will be released the following day.	Holly Paz, Lois Lerner	IRS0000007348
May 6, 2013	Nikole Flax informs Steve Miller that “[f]irst proposed c4 denial going tomorrow – not the well known org.”	Nikole Flax, Steve Miller	IRSC032193
May 7, 2013	A Senator inquires about the application from “Applicant Y.” Lois Lerner tells Holly Paz to tell the Senator’s office that the application is assigned and is being worked on and that the IRS has had several conversations with the organization.	Lois Lerner, Holly Paz	IRS0000207919-20

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May 7, 2013	Steve Miller meets with Nikole Flax, Dean Silverman and Eric Schweikert to discuss the report entitled Updated Baseline Analysis of 501(c)(4) Form 990 Filers with Political Campaign Activities .	Steve Miller, Nikole Flax, Dean Silverman, Eric Schweikert	IRS0000456399
May 8, 2013	Lois Lerner advises Nikole Flax that Richard Pilger at the Department of Justice wants to meet with IRS officials to discuss the possibility of criminally prosecuting 501(c)(4) organizations under the False Claims Act if they “lied” on their Form 1024s by stating they would not engage in political activity, but did, in fact engage in that activity.	Lois Lerner, Nikole Flax	IRS0000209199
May 8, 2013	Steve Miller announces that Joseph Grant has been selected as the TE/GE Commissioner.	Steve Miller	IRS0000208974-75
May 8, 2013	Lois Lerner tells Steve Miller “I do need to talk to someone as early as possible about ABA and whether we’re still on? Will need to reach out if so.” Miller responds “[t]hink we do it.” (Lerner is referring to asking someone who will be in attendance at the ABA Conference to ask her a “planted” question about the IRS’ treatment of the Tea Party.)	Steve Miller, Lois Lerner	IRS0000209214
May 9, 2013	Lois Lerner asks Nikole Flax “[d]o we have a plan for Friday re c4? Do I need to reach out re asking me a question or directly hit it head on? Need to know soon please.” Flax responds “[w]e have a call for 11:30.”	Lois Lerner, Nikole Flax	IRS0000209300
May 9, 2013	Lois Lerner calls Celia Roady Esq., an attorney at Morgan Lewis, and requests that Roady pose to her a question about the IRS’ handling of Tea Party applications after Lerner’s prepared remarks at the Tax Section Meeting of the ABA Conference scheduled for the following day. Roady agrees and Lerner provides her the question to ask.	Lois Lerner	US News, Woman Who Asked IRS's Lois Lerner Scandal-Breaking Question Details Plant

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May 9, 2013	Steve Miller meets with ABA representatives. He intends to discuss with the ABA representatives: 1) the IRS's handling of Tea Party applications; 2) the IRS intention to move forward with a discussion on imposing the gift tax on donations to 501(c)(4) organizations and how the ABA might help; 3) the (c)(4) regulation and how "a wave of cash [was] unleashed by <u>Citizens United</u> " and "that cash chose a favorable port due to disclosure and under-enforced gift tax rules." Miller intends to ask for the ABA's views on: 1) whether the IRS should craft new rules in the (c)(4) area; 2) whether the IRS should also change the rules for (c)(5) and (c)(6) organizations; and 3) the distinction between 501(c)(3) and (c)(4) organizations after the rule changes. Miller intends to explore various options including whether the ABA would sponsor a study on some of these issues. It is unclear whether Miller addresses all these issues with the ABA representatives.	Steve Miller	IRS0000506547-50
May 9, 2013	William Wilkins, Janine Cook, Victoria Judson, Steve Miller, Lois Lerner, and Nikole Flax meet with ABA Committee and Sub-Committee Chairs the day before an ABA Conference to discuss campaign activity by exempt organizations.	William Wilkins, Janine Cook, Victoria Judson, Steve Miller, Lois Lerner, Nikole Flax	IRS0000014699-718
May 10, 2013	Lois Lerner attends the Tax Section Meeting of the ABA Conference in Washington D.C. In response to a question asked by Celia Rody, Esq. at the Conference for an update on concerns about the IRS' review of applications for tax exemption by Tea Party groups, Lois Lerner states: "line people" in Cincinnati selected applications for "further review" based on the existence of names in their applications like "Tea Party" or "Patriots;" the cases "sat around for too long;" "[t]hey also sent some letters out that were far too broad . . . they asked for contributor names . . . they didn't do it correctly and they didn't do it with a higher level of review." Lerner ends her remarks as follows: "So, I guess my bottom line here is that we at the IRS should apologize for that, it was not intentional, and as soon as we found out about what was going on, we took steps to make it better and I don't expect that to reoccur."	Lois Lerner	http://meetings.abanet.org/webupload/commupload/TX319000/sitesofinterest_files/may_2013_aba.pdf

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May 10, 2013	Shortly after making her statements during the morning session of the ABA Conference, Celia Roady emails Lerner a copy of a national news alert entitled “IRS apologizes for inappropriately targeting conservative political groups.” According to the news alert, Lerner attributed the IRS practice of targeting conservative groups to “low-level workers in Cincinnati . . .”	Lois Lerner, Celia Roady	IRS0000662454-55
May 10, 2013	By early afternoon, Terry Lemons, IRS Communications Chief, suggests to Steve Miller, Nikole Flax, Joseph Grant, and Lois Lerner that Lerner send a voice message to staff explaining her comments earlier in the day at the ABA Conference. Lemons also informs Miller, Flax, Grant, and Lerner that the “NTEU press person just called; they are hearing from employees as well . . .”	Lois Lerner, Steve Miller, Nikole Flax, Joseph Grant, Terry Lemons	IRS0000662535
May 10, 2013	Lerner sends an email to Steve Miller, Nikole Flax, Joseph Grant and Terry Lemons advising that she spoke to Cindy Thomas who informed her that “employees are especially upset with RAs being referred to as “lower level” employees.”	Lois Lerner, Steve Miller, Nikole Flax, Joseph Grant, Terry Lemons	IRS0000662538
May 10, 2013	Lois Lerner sends the voice mail message to Cindy Thomas and Donna Abner, instructing them to send the message to their staffs. Lerner laments to Thomas and Abner as follows: “I know the press that came out today is upsetting, and I’m guessing there will be more to come. . .”	Lois Lerner, Cindy Thomas, Donna Abner	IRS0000662553
May 2013	Steve Miller writes a handwritten chronology of events in this matter. He marks in capital letters that in June 2011, “LOIS DID NOT ELEVATE ANYTHING.”	Steve Miller	IRS0000468988
May 14, 2013	IRS grants “Applicant Y” 501(c)(3) status.	Holly Paz	“Applicant Y” 501(c)(3) Approval Letter (May 14, 2013)
May 14, 2013	TIGTA releases its report entitled “Inappropriate Criteria Were Used to Identify Tax-Exempt Applications for Review.” The report concludes that “[t]he IRS used inappropriate criteria that identified for review Tea Party and other organizations applying for tax-exempt status based on their names or policy positions instead of indications of potential political campaign intervention. Ineffective management: 1) allowed inappropriate criteria to be developed and stay in place for more than 18 months, 2) resulted in substantial delays in processing certain applications, and 3) allowed unnecessary information requests to be issued.”	TIGTA	TIGTA, Inappropriate Criteria Were Used to Identify Tax-Exempt Applications for Review

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May 14, 2013	Chairman Darrel Issa, House Oversight and Government Reform Committee, sends Lois Lerner a letter requesting that Lerner provide a briefing on the IRS handling of Tea Party applications. When informed of the request, Lerner responds as follows: “So what do they expect of me?”	Lois Lerner	IRS0000190728-29 IRS0000189591-600
May 15, 2013	Chairman Issa’s staff informs the IRS that there will be a hearing the following week and requests Lois Lerner to respond to the invitation to appear and testify at the hearing by noon the following day. When informed of the invitation to testify, Lerner says: “I am not ready to respond. I need to talk to some people first.”	Lois Lerner	IRS0000189624-26
May 15, 2013	Nancy Marks sends Lerner a list of the BOLO entries for the Tea Party and political advocacy cases, and indicates that she will send Lerner a full copy of the TIGTA report.	Lois Lerner	IRS0000190733-34
May 16, 2013	Joseph Grant announces that he intends to retire from the IRS effective June 3, 2013.	Joseph Grant	IB Times, IRS Scandal Claims Second Agency Casualty_ Joseph Grant To Retire Over Controversy
May 16, 2013	At the request of Secretary Jacob Lew, Steve Miller resigns as Acting Commissioner of the IRS and retires from Federal Service. His resignation/retirement is effective in 2 weeks.	Steve Miller	SFC Interview of Steve Miller (Dec. 12, 2013) pp. 12-13 SFC Interview of Mark Patterson, (Apr. 7, 2013) pp. 41-43
May 23, 2013	Lois Lerner is placed on administrative leave by the IRS.	Lois Lerner	The Washington Post, Lois Lerner put on Administrative Leave by IRS

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May 2013	After release of the TIGTA report, Nanette Downing realizes that there is a “pile” of Tea Party cases that EO Determinations had referred to EO Exams. The cases had “just been sitting” and were marked for 3- to 5-year follow-ups. Downing turns the issue into TIGTA and after meeting with Ken Corbin and Karen Schiller (former head of R&A), they decide to send the cases back to EO Determinations. The Tea Party cases were referred by more than one employee in EO Determinations and were sent “in intervals” and not all at once. In addition, the PARC received the first batch of political referrals in February 2013 and recommended 20-30 exams. When the TIGTA report is released, IRS halts the exams.	Nanette Downing	SFC Interview of Nanette Downing, (Dec. 6, 2013) pp. 39-40, 47-49, 92-95
May 30, 2013	Joseph Herr sends Sharon Light a draft denial on the application for exemption by Crossroads GPS.	Joseph Herr, Sharon Light	IRS0000529074-91
June 24, 2013	The IRS suspends the use of the BOLO spreadsheet in the application process for tax-exempt status.		IRS, Report Outlines Changes for IRS To Ensure Accountability, Chart a Path Forward; Immediate Actions, Next Steps Outlined
August 1, 2013	Jack Koester, a screener in EO Determinations states that if he currently reviews an application from a Tea Party that contains no indicia of political activity, he would send the application to secondary screening for political advocacy. “Q. So you would treat a Tea Party group as a political advocacy case even if there was no evidence of political activity in the application. Is that right? A. Based on my current manager’s direction, uh huh.”	Jack Koester	SFC Interview of Jack Koester, (Aug. 1, 2013) pp. 39-40
September 2013	Lois Lerner retires from the IRS after an internal investigation finds that she was guilty of “neglect of duties” and recommends her removal.	Lois Lerner	The Washington Times, Lois Lerner, IRS Official in Tea Party Scandal, Forced Out